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In an Ocean of Reform, Ukraine Is an Island of Economic Catastrophe

By Lee Hockstader. KIEV — Scene of some of the 20th century's worst man-made catastrophes, Ukraine is in the grip of another: an economic disaster that is fast transforming the rich rolling farmland of the steppe into a cradle of abject poverty.



NOT THIS TIME — A weeping woman trying to join an evacuation convoy Monday in Sarajevo was stopped by a Bosnian military policeman. The first major evacuation since May is to take a total of 642 people, mostly Serbs, to Belgrade in stages. Page 2.

Japan Lists 475 Business Regulations To Phase Out

But Ambitious Goals, For Clinton's Perusal, Are Lacking in Detail. By James Sterngold. TOKYO — A first salvo was fired Monday in what is likely to be a long battle to reduce the government's power over Japan's minutely regulated economy.

Opposition to NAFTA Unites Uneasy Left

By Thomas B. Edsall. WASHINGTON — The president of the international electrical workers union, William H. Bywater, does not shy from one of the toughest choices facing organized labor in the debate over the North American Free Trade Agreement.

Clinton's Lack of Interest Stymies His Foreign Policy Triumvirate

By Elaine Sciolino. WASHINGTON — They are three troubled men in search of a strategy: a cerebral former college professor, a gregarious former congressman and a careful lawyer cast in the roles of the United States' top national security advisers.

When asked to list the strengths and weaknesses of the three-member team, David R. Gergen, the White House counselor who is in charge of communications, replied with another question: "Do you really think I want to answer that?"

should even discuss that sort of thing, those personnel things. Praising them for their hard work and for "doing well on many big things," he added that the United States would continue to make foreign policy "with the team we've got as long as we're all working together."

Champions of Eccentricity Put India in Record Book

By Edward A. Gargan. NEW DELHI — For 30 years, Romesh Sharma has raced toward glory, demolishing challengers, snuffing observers, troubling manicurists.



Taiwan police escorting Wang Jihwa, second from left, away from the plane he had hijacked Monday during a flight from Hangzhou to Fuzhou, on the Taiwan Strait in China. The bomb he threatened the crew with turned out to be bars of soap wrapped with electrical wire.

In a certain sense, the report grew out of the fear that the Japanese economy cannot survive in the 21st century in its present form.

Kiosk Talks Shift to Cairo On Israel-PLO Pact

CAIRO (NYT) — Israeli and Palestinian negotiators resumed talks at a secluded location here Monday. The negotiations are to continue here on Tuesday and could then return to Taba, the resort on the Red Sea, according to official sources.

China-Taiwan Hijack Fever Vexes Beijing

By Patrick E. Tyler. BEIJING — A series of hijackings of mainland Chinese passenger jets to Taiwan continued Monday when a man using bars of soap to simulate explosives diverted an airliner with 59 people on board to Taipei's international airport.

Business/Finance

Table with market data including Dow Jones, Trib Index, and The Dollar exchange rates.

THE TRIB INDEX

Latin American Stock Markets Go Global

The International Herald Tribune World Stock Index, compiled by Bloomberg Business News, now tracks the five leading Latin American trading centers — Mexico, Brazil, Argentina, Chile and Venezuela. They form their own separate Latin American index, while representing five percent of the value of the Trib Index worldwide.

STATESIDE / THE PEROT FACTOR, YET AGAIN

كندا من الأصل



Ross Perot greets supporters after a speech attacking the North American Free Trade Agreement.

Perot Cites Threat on His Life

WASHINGTON — Ross Perot says that he has been targeted for assassination by a "Mafia-like" group working for adoption of the North American Free Trade Agreement.

Speaking to 3,000 people cheering his anti-NAFTA message at a rally Sunday in Tampa, Mr. Perot said the FBI had relayed information that the unidentified pro-NAFTA organization had recruited six Cubans to kill him — possibly at the rally or during his scheduled debate here Tuesday night — to be broadcast on CNN at 0200 GMT Wednesday, with Vice President Al Gore.

A federal law enforcement source said that Mr. Perot's comments appeared to be based on third-hand information passed to the FBI by an anonymous telephone tipster. The source added that the Justice Department was unaware of any threat against Mr. Perot by any pro-NAFTA organization.

Mr. Perot said a Tampa police officer had handed him a note Sunday morning from the FBI describing the plot. The assassination attempt "would take place in Tampa or at the debate in Washington," he said, adding, "The organization is a Mafia-like group in favor of the North American Free Trade Agreement."

"I am willing to stand up here like a clay pigeon, if you will write your congressman," Mr. Perot said at the rally. "Let him know you don't want NAFTA. I'm

not worried about these dudes getting their acts together and doing something to me."

Captain B.K. Winton of the Tampa police said that an FBI agent had said "two death threats" had been made against Mr. Perot.

The federal law enforcement official said the Los Angeles FBI office had received a call Saturday night from an Albuquerque, New Mexico, "tip line called 'We Tip'" about the alleged plot.

An anonymous caller to the tip line reported that he was with a man who spoke no English and who claimed to have just gotten out of a Mexican prison where he had heard "there was a six-member Cuban hit squad that was going to 'take out' Ross Perot," according to the source.

Over the years Mr. Perot, who received 19 percent of the vote in last year's presidential election, has claimed he was the target of death plots by North Vietnamese Communists upset about his efforts to free American prisoners of war, by the Black Panthers and by Texas drug dealers.

No evidence to support Mr. Perot's assertions ever surfaced, and they were vehemently denied by Republican campaign officials. Mr. Perot later acknowledged that some of his information came from a former California police officer described by federal law enforcement sources as a publicity-seeking hoaxster.

TREATY: For the Left, an Uneasy, Broad Reversal

Continued from Page 1

with Mexico and Canada will make it easier for U.S. companies to escape domestic law and regulation, a prospect already taking place as the marketplace has become global.

"Activists endured George Bush and Ronald Reagan for 12 years; they worked hard to elect Clinton to change policy," said a former Democratic congressman, James Jontz, now head of the Citizens Trade Campaign, a group that opposes the agreement.

"To people at home, NAFTA is more of the same, trickle-down economics, putting corporations ahead of people. NAFTA embodies what people have been fighting against. Clinton says this is a new policy. People at home see Clinton lined up with the business lobbyists. They are mad. They are saying, 'This is why we elected Bill Clinton?'"

The scope of the opposition is reflected by the strong presence of groups as diverse as the boards of the United Methodist Church, Americans for Democratic Action, the National Farmers Union, the Humane Society, Greenpeace and the United Auto Workers.

And the range of concern for protection of domestically enforced rights and regulations is reflected in a point made by the Rev.

erend Jesse L. Jackson, the civil-rights activist and prospective presidential nominee: "Take affirmative-action policy. You cannot enforce that on a plant in Canada or Mexico."

While Ross Perot, the billionaire businessman and independent presidential candidate last year, has assumed the public role of anti-NAFTA leader, these organizations have produced many more votes against the agreement. The leaders view Mr. Perot as a dangerous ally without commitment to their tenets.

The debate will be broadcast on CNN at 0200 GMT on Wednesday. The unease that many on the left feel about their alliance with Mr. Perot becomes severe discomfort in the case of such leaders of the Republican right as Patrick J. Buchanan and Paul M. Weyrich.

For the progressive and liberal groups opposed to the agreement, the alliance with Mr. Buchanan and Mr. Weyrich, head of the Free Congress Foundation, has another major cost: It turns arguments against it into an intellectual modality.

The agreement, according to Mr. Weyrich, will "give the radical environmentalists a devastating tool" permitting them "to lock into place outrageous 'green' laws," and it

POLITICAL NOTES

Puerto Rico Nears Plebiscite on Status

SAN JUAN, Puerto Rico — Should Puerto Rico petition to become the 51st state, remain an American commonwealth or proclaim its independence?

After decades of debate and months of intense campaigning, voters are about to declare their preference in a plebiscite whose result the White House has pledged to support. For the 3.7 million residents of this Caribbean island, the vote Nov. 14 hinges on questions both of cultural identity and material well-being.

Governor Pedro Rossello and his New Progressive Party say statehood will bring a financial bonanza. The opposition Popular Democratic Party argues that statehood will force a mixed-race, Spanish-speaking society to renounce everything that defines its character. Recent polls show statehood and commonwealth running about even, with about one-fifth of voters undecided. Independence, the third option, is supported by about 5 percent of the voters and is not considered a realistic course for an

Mrs. Clinton Backs the Family Doctor

WASHINGTON — Hillary Rodham Clinton came to the defense of the family doctor, telling a young medical student "it's about time we start thinking about the common good" and not just career choices that may be more lucrative.

Mrs. Clinton's remarks came during questions from the audience Sunday at a conference of medical educators where several medical students said they saw no advantage to going into general practice where pay and prestige is lower than in specialization.

island that has lived under American rule since the end of the Spanish-American War in 1898.

The vote is the first on Puerto Rico's status since 1967, when commonwealth status won 60 percent of the vote. The plebiscite is nonbinding, meaning that even if statehood wins, Congress would still have to approve the formal petition to join the union. (NYT)

Quote/Unquote

Mrs. Clinton's reply came with a sharp edge. "It's about time that we start thinking about the common good, the national interest, instead of just individuals in our country," she told one student.

Seventy percent of the practicing physicians are in specialties, compared with 30 percent for general practice, and 85 percent of the medical students are aiming at specialties, compared with 15 percent for general practice. (AP)

Ross Perot, at a rally in Florida at which he said he had received information about an assassination plot because of his stand against NAFTA: "I thought about the people who make our country go. We will never waver until NAFTA is stopped. So here we are. And if something should happen, don't spend a minute mourning. As Step 1, make sure you stop NAFTA, with or without me." (NYT)

Anti-Deficit Allies Gain in the Senate

By Adam Clymer
New York Times Service

WASHINGTON — Conservatives who hate raising taxes and liberals who cannot stand to cut spending have joined to bring the Senate to within a handful of votes of passing a constitutional amendment later this month to require a balanced budget.

Senator Paul Simon, Democrat of Illinois and a liberal who is the measure's chief sponsor, is not predicting victory yet. But he said that he had detected a gradual increase in support.

He has been pushing the measure for several years, and won a promise from the Senate majority leader, George J. Mitchell of Maine, a firm opponent of the amendment, for a vote during this Senate session, which may end before Nov. 25, the Thanksgiving holiday.

The deficit issue has forced itself over the years into the consciousness of both the right and the left, and it is good politics to promise to do something about it.

While most people think that the only way to cope with the deficit is to both raise taxes and cut spending, each wing of this tenuous alliance argues that only the approach the other side dislikes must be used.

But the opponents, led by Senator Robert C. Byrd, Democrat of West Virginia, got a boost last week when President Bill Clinton weighed in on their side. Mr. Clinton denounced the amendment as a "budget gimmick," and said it was so vague that appointed judges would end up making decisions elected lawmakers should take on.

Mr. Clinton said the amendment would hurt average American families and require some combination of "huge increases in taxes," "massive reductions in Social Security benefits" and "major cuts in Medicare and Medicaid that would make it impossible to pass meaningful health reform legislation."

He said the last effect would be particularly counterproductive because health legislation was "the nation's best hope of bringing down the long-term deficit."

While presidents have no veto on constitutional amendments, Mr. Clinton's intervention still matters, especially because 16 of the 20 senators who have not announced their position on the measure are Democrats. With 60 supporters identified through public statements and interviews and 20 declared opponents, the backers need only 7 of the undecided senators to get the required two-thirds majority of the 100-member Senate. Opponents need 14 of them to defeat it.

The Senate is expected to vote in about two weeks on the measure, which would require a balanced budget in 1999. The result is likely to be as close as it was in 1986, when the proposal fell short by a single vote; or in 1982 when it passed the Senate with 69 votes but died in the House.

Mr. Byrd said he was worried that his side would lose. He scoffed at the measure as "political catnip" and said he despairs of senators who beg him, in his role as chairman of the Appropriations Committee, for money for their states while supporting an amendment that would dry up that spending.

He called the amendment "an economic, fiscal and political calamity in the making." He then

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Away From Politics

- Dr. Jack Kevorkian left jail in Detroit after a backer posted a \$2,000 bond set by a judge in an assisted suicide case. Dr. Kevorkian, an outspoken proponent of assisted suicide, was jailed Friday after he refused to post the bond himself. He had refused nomination except for juice and water all weekend.
- Jury selection began in the trial of a man whose wife cut off his penis, allegedly he had raped her. John Bobbitt, 26, has been charged in Manassas, Virginia, with marital sexual assault in a case that has captured widespread attention. His estranged wife, Lorena, faces trial later in the month for malicious wounding. Each faces 20 years in prison.
- Federal agents made an arrest in an arson investigation of wildfires that have ravaged Southern California over the past two weeks, officials said. The last major fire has now been contained.
- Thirty-one illegal Chinese aliens being deported from Mexico caused a ruckus on an airline flight, prompting an emergency landing on U.S. soil, after being told that they would not be served liquor on the flight. They were returned to Mexico.
- Gay rights activists are calling for a boycott of Cincinnati following a vote repealing a year-old law protecting homosexuals from discrimination.
- David Berkowitz, the notorious "Son of Sam" serial killer who terrorized New York in the mid-1970s, has apologized from prison for his deadly deeds. "I did take some lives and I'm very sorry for that," he said in an interview. He said his goal had been to bring New York "to its knees."

AP, AP, Reuters, WF

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Herald Tribune

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Change the Cuba Policy

Washington's Cuba policy is domestic politics by proxy. So fierce are the anti-Castro passions of well-heeled, conservative Cuban exiles that reason flies out the window when candidates vie for their votes and contributions...

compliance with the extraterritorial claims of the Cuban Democracy Act, and has protested a provision barring any vessel that enters Cuba from unloading freight in U.S. ports for 180 days after leaving Cuba...

A Faulty Budget-Balancer

President Bill Clinton took a position Friday on the misnamed balanced budget amendment to the constitution, on which Congress is scheduled to vote in the next few weeks...

thereby add to the prospect each year of gridlock. The president warned that by increasing "accounting subterfuge... moving more federal programs off budget or... imposing more unfunded mandates on the states..."

Curbing Greenhouse Gas

Bill Clinton's new plan to control global warming looks a lot more like something George Bush would dream up than anything straight from the heart of Al Gore, the environmental conscience of the administration...

warning "perhaps the biggest environmental threat to this planet," suggesting that he views the problem more seriously than Mr. Bush did. And he has pledged to bring emission levels in the year 2000 down to 1990 levels...



America's Relations With China Are Looking Up

BEIJING — In recent weeks the Clinton administration has swerved away from an impending crisis in American relations with China by adopting a new policy of engagement. The abrupt change in direction has been eagerly received by Chinese officials, who are keenly awaiting the next step...

According to the historian Zi Zhongyun, similar things were said by U.S. officials in 1941 at the start of the Chinese-American alliance of World War II, but forgotten after the 1949 Communist revolution...

Only NATO Membership Will Soothe Their Fears

HELSINKI — NATO has yet to find a way to reassure the Central and East European nations without alienating Russia. The "security partnership" expected to be offered by NATO to all European states, including Russia, Ukraine and possibly other former Soviet republics...

Russian security-policy establishment disavowed him. At the end of September he had to retract his Warsaw statement. In a letter to the leaders of the United States, France, Britain and Germany he argued that former members of the Warsaw Pact should be members of NATO only if Russia also was included...

Ugly, Unfounded and Hard to Explain

BOSTON — If you wonder how low the politics of hate and revenge can get in Washington, listen to this story. Janet Napolitano, a leading Arizona lawyer, has been nominated by President Bill Clinton as U.S. attorney for that state...

members of the Judiciary Committee that the charges were empty. But she would not answer questions about what she and Judge Hoerchner discussed during that break, because it was a conversation protected by the lawyer-client privilege...

Discovering A Different Pyongyang

By James Pringle
PYONGYANG, North Korea — Taxis are lined up outside the Hotel Koryo in Pyongyang. A visitor walks out of the hotel, climbs into one of the vehicles and tells the driver to head for a restaurant or a department store. The driver does as asked...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Anarchist Bombs
BARCELONA — An Anarchist outrage of unprecedented atrocity has been committed at the Teatro del Liceo. The winter opera season was opened last night [Nov. 8] and the vast theatre was crowded with the elite of Barcelona society...

International Herald Tribune
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سكزا من الأصل

OPINION

The Iraqgate Stone Wall Runs All the Way to Reno

By William Safire

WASHINGTON—Let me take you behind the scenes in the exposure of a scandal, as the irresistible forces of inquiry slam into the immovable stone wall of cover-up.

In Iraqgate, the Bush administration arranged for billions in unlawful financing of President Saddam Hussein through the Atlanta office of Italy's Banca Lavoro. To avert embarrassment after the Iraqi double-cross, the U.S. Justice Department conspired with Italy to obstruct the investigation of Saddam's bankers and George Bush's top aides.

This Sunday, the forces of inquiry got a bible to work from: "Spider's Web: The Secret History of How the White House Illegally Armed Iraq." Alan Friedman, whose reports in the Financial Times and on ABC's "Nightline" have helped move the revelations along, brings together the story that most media have shied away from because corruption's great friend is complexity.

In Congress, the relentless Inspector Javert of Iraqgate—the House Banking Committee chairman, Henry Gonzalez of Texas—will take testimony from the convicted Atlanta branch manager who is the designated fall guy for higher-ups in Rome and Washington.

Also subpoenaed is Rinaldo Petrignani of Rogers & Wells, who as Italian ambassador made the approach to Mr. Bush's attorney general for the "damage control" that Dick Thornburgh denies ordering. But my friend Rinaldo, who was only doing his country's bidding, is also being sought by Italian authorities on a bribery charge and may be too busy to finger American culprits.

That's what revelation has going for it this week. But the forces of inquiry can do little without a court-appointed independent counsel, which calls for passage of a new law.

Confusion at the Top

TO JUDGE from a sobering poll released last Tuesday by the Times Mirror Center for The People and The Press, whatever disarray affects the Clinton State Department affects equally the various elites on whose collective wisdom the administration might hope to rely. Six hundred forty-nine leaders in nine groups were asked to name which of six dangers facing the world was greatest. Fifty-one percent of scientists named population growth as the greatest danger. No other elite could muster even a 50 percent vote for any given danger. The day is clearly past when every foreign policy problem could be considered a moment in the life-and-death challenge posed to the West by the Soviet Union. Now, we have the luxury of considering each problem more nearly on its own merits, and the result is the confusion of the poll reports.

—Los Angeles Times

On the side of stonewalling is a group of Republican senators led by John McCain, protected by Bob Dole, who want to delay a floor vote on the independent counsel bill.

They have high-sounding excuses, but the real reason is to drag a foot until the 1989 crimes of Iraqgate come under the statute of limitations. Despite no agreement from Republicans not to filibuster, George Mitchell, the majority leader, assures me: "I will bring up the bill for a vote before the Thanksgiving recess." We'll see.

Behind that stone wall is another stone wall: Attorney General Janet Reno. When asked if she would seek a special prosecutor from the court if the law passed, she told me: "I have no conflict of interest on Iraqgate." In other words, she will profess to be a Democrat investigating a Republican administration's crimes, and will refuse to honor Bill Clinton's promise of independent counsel.

Her protestation of no-conflict is a charade: The former Criminal Division chief who stands to be investigated in the Banca Lavoro damage control is Ed Dennis, the whitewasher chosen by Ms. Reno's deputy to find "no blame" in her Waco blunder. It is all one cozy, self-protecting establishment; but when asked if Justice's Criminal Division can investigate itself, Ms. Reno replies blithely, "It's my Criminal Division now."

Do not lose heart; persistence pays. In February, revelations in The New York Times forced the Senate intelligence committee into reporting that the CIA told Justice about Rome's corrupt involvement, following which everybody lied. But that staff report was fuzzy; I submitted 28 groups of questions following leads in it.

Example: The report read, "The chief prosecutor and chief investigator on the case were part of a Justice delegation which met with the Italian ambassador." I asked, "Who were these two Americans? Who arranged this meeting and where was it? Were minutes kept? Was this the same Italian ambassador [Petrignani] who saw Attorney General Thornburgh at a White House reception? Did Senate staff ask why a memo was prepared by the chief of the Criminal Division [Dennis] for the AG three days before the approach at the White House?"

Committee staffers, who did not want to admit that they failed to ask the right questions, stonewalled. But recently I sat next to the co-chairman at a dinner and lol' the staff found time to answer my questions seriatim. (In the example given, the Americans were Justice's Gail McKenzie and Agriculture's Art Wade, and no, the hurried committee staff did not think to ask the follow-ups.)

That's how the battle between revealers and resisters goes on. Justice will prevail when somebody in Justice goes to jail.

The New York Times



LETTERS TO THE EDITOR

A Good Deal for France

According to one study, the partial trade liberalization in agriculture, manufacturing and intellectual property envisaged in the Uruguay Round of trade negotiations under the General Agreement on Tariffs and Trade could add \$25 billion to the annual income of France and generate a million new jobs.

If, for all that, France vetoes the Blair House accord on farm subsidies, the talks surely will fail. Then French exports of services, high-tech products and wines and spirits could suffer. Investor confidence would be shattered, since the country already is in recession. And America could well strike a trade deal with Asia and the Pacific region to the detriment of Europe, including France.

Consequently, there are grounds for France to accept the Blair House deal with whatever concessions it can secure from the United States. And the government should launch an information campaign to enlist even more public support for a global trade agreement.

M. VASUDEVAN, Cannes.

Turkey and the Kurds

Regarding "Here's a Better Road for Turkey to Travel" (Opinion, Oct. 29) by William Safire:

The solution to the Kurdish problem is not a military one, but a political and economic one. While the Kurdish Workers Party, or PKK, remains murderous Marxist anathema in this age, the Turkish armed forces, with their clumsy and brutal response to PKK terror, have not only alienated local Kurdish inhabitants

but made them sympathetic and responsive to the otherwise unattractive PKK.

If I may offer some advice to Prime Minister Tansu Ciller: For the sake of Turkey, be stronger than the generals. Return to your pledge of accommodation with the Kurds. Turkey shall be not only the richer but also the wiser.

ERIC SEAN GOLDSTEIN, Oxford, England.

Hurrah for Rao

Regarding "The Party in Power Is Self-Destructive" (Opinion, Oct. 21):

I have to disagree with James Manor that India's Congress (I) Party is on its way to self-destruction, for in the past, the party has been split, resplit, born and reborn. Even though his is a minority government, Prime Minister P. V. Narasimha Rao's clever Machiavellianism has opened India's gates to prosperity. For India's good, long may he reign.

KISAN MEHTA, New Delhi.

Nothing Romantic About It

Regarding photographs of a bullfighter (July 5) and the running of the bulls in Pamplona, Spain (July 8):

The photographs you printed a few months back should have been titled "Barbaric Savagery Continues in Spain." The bulls are tormented, provoked and tortured in front of cheering people, then killed as the crowd shouts for more. These cruel, uncivilized and monstrous pastimes must be stopped.

BRIAN COULMAN, Harare, Zimbabwe.

For Pollard, Justice Is Jail

Regarding "Justice for J. J. Pollard" (Letters, Oct. 20):

Constance Konold's letter cannot stand unchallenged. Jonathan Jay Pollard is in no way a "political prisoner," and his 1987 conviction for spying was not merely for "providing Israel with classified information" but for selling it (and at a rather high price), while employed at a high salary in a top-secret security job with U.S. naval counterintelligence. There were no redeeming circumstances in his case whatsoever. He deserves to be where he is — in prison for the rest of his life.

ROBERT BRENTON BETTS, Beirut.

In Praise of Piaf

Regarding "Piaf: The Talent vs. the Legend" (Oct. 20) by Mike Zwerin:

Edith Piaf was unique not only for her voice (the quality of which defies imitation) but also the following:

- Her role as a film actress.
- Her friendships in the larger world of artists and performers (Jean Cocteau, for one).
- Her keen sense of new talent and her discovery and support of many who outlived her. Talent recognizes talent.
- A talent as special as Edith Piaf's finds its enduring foundation in a rare generosity of the spirit, a full giving of oneself. Before you read the books about her, why not just listen — your ear will know.

JONATHAN LEAKE, Paris.

Remembrance Is the Way To Live With That Hole

By Robert B. Goldmann

NEW YORK—Fifty-five years ago today, my family and I experienced Kristallnacht in Frankfurt. What we did not know after that night of attacks on Jewish businesses and synagogues, and then after my father's brush with death during his monthlong confinement in the Buchenwald concentration camp, was that unimaginably worse was to come.

Five years later, I was working in the newsroom of the Voice of America, an important source of information at the

MEANWHILE

time. My family had managed to find refuge in New York, and I had gone on to become a German-language announcer for the U.S. government's new worldwide broadcast service. But I did not know about Auschwitz.

I announced news from the war fronts and read stories and commentary on the latest developments in American agriculture, science and the arts. What I did not announce, because it came in no script until after the war, was that millions of Jews and Gypsies had been gassed and burned in Nazi death camps. There was no news about that, only rumors. And at VOA, rumors were non-usable currency. Everything we aired, whether from the wire services or other sources, had to be solidly confirmed.

Later, as the horrible pictures of the death camps were shown in newsreels or described in suitably gruesome detail in the newspapers, I asked myself: Where was I when Uncle Arthur, Tante Gertrude and Ilse Wassermann — not to mention all the others — disappeared?

If the news had appeared in a script I was to read to my German-speaking audience, could I have done it with the professional calm and detachment that was expected? I think I could have. It was my job to do so. But more than that, cold, unadorned accounts of what had happened would have been the most effective way to tell the German people what they needed to be told. And they did have to be told, in detail, to ensure that they remembered.

Today there is discussion in Germany of a Holocaust memorial. Why isn't there one already? Did it take the inauguration of the memorial in Washington to remind Germans of the Holocaust?

It is too easy, and eminently unjust, to say that "the Germans haven't changed" — a refrain heard too frequently among Jews and others who think there is some

thing intrinsically evil about Germans. This writer, after many visits to Germany since the war and a good deal of work to combat prejudice and anti-Semitism, is convinced that, like so many things, the issue is much more complicated.

There are those who, out of a deep conviction and sense of responsibility, work actively for an appropriate memorial to the genocide of Jews and Gypsies.

Others, like many of the thousands who have joined candlelight marches to protest violence against foreigners, probably would support a memorial but not actively work for it. They are simply not the activist type.

Then there are those who ask: "Aren't we already doing everything we can to fight the neo-Nazi crazies with the methods our democratic society allows? Haven't we already paid a price in the world's eyes? Won't we ever become a normal country?"

The answer to all these questions is "no." The questions themselves betray a defensiveness, a resentment, a craving for "normalcy" that are the wrong mindset when it comes to the Holocaust. For there is a hole in Germany, as Willy Brandt once put it, that can never be closed and which succeeding generations have to live with: the unfillable hole left by the millions who fell victim to genocide committed in Germany's name.

Living with that requires remembrance, not resentment; thoughtfulness, not defensiveness; and tolerance, not paternalism. Perhaps it calls for a memorial to the victims, probably one just for the Jews who had made such an immeasurable contribution to German success and culture.

More importantly, living with that hole suggests actions, policies and principles applied in daily life, in schools, churches, business and professional associations, trade unions, law enforcement agencies. The theme that will make remembrance meaningful is tolerance, writ large, a natural acceptance of people who are different as individuals, not as Turks or Jews or Vietnamese.

This will require leadership from on high, and persistent efforts in local organizations and in homes. Many Germans are working at it, most recently in cooperation with Americans committed to the same objective.

It's worthwhile, not just for the sake of remembrance, but because it will give full meaning to the message played on Deutsche Welle, Germany's international broadcast service: "Brother looks out for brother, and helps wherever he can." from Schiller's "Ode to Joy." Working toward this goal, the Voice of Germany can become the voice of remembrance, tolerance and decency.

I won't live long enough to witness the completion of much good work that is being done, much less to announce it. I wish I could.

International Herald Tribune.



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Handwritten Arabic text: 'مجلس النواب' (Majlis al-Nuwwan)

Muslim Women Face America Support Groups Organize to Protect Rights

New York Times Service
GREAT FALLS, Virginia — Maha Alkhatib had just come home from a job search at the mall. Her long, dark hair tumbled out as she pulled off her black *hijab*, the scarf many Muslim women use to cover their hair.

"People look at me and they're like, 'She wants to work here?'" said Miss Alkhatib, 19, referring to the stares she said she received when she applied for a clerical job at an optician's store.

Being treated as an oddity by most Americans, she said, is one of many things that complicates the life of a Muslim woman in the United States. Her mother, Sharifa, said, "They think of Muslim women with huge sheets on and three children trailing behind her and her trailing behind her husband who just finished beating her."

But Muslim women are now trying to help themselves. Driven by desire to support each other and by anger at the discrimination they encounter, Muslim women from rural Florida to Los Angeles to suburban Virginia have begun to organize into small community groups and large national associations. Mrs. Alkhatib is president of the North American Council for Muslim Women.

These groups debate the merits of veiling, raise money for fellow

Muslims in Bosnia and discuss how they can get the United States to accept them in its parent-teacher associations, malls and banks.

And they talk about their anger. With three million to four million adherents of Islam in the United States, Muslims said they were beginning to draw hostile attention even as they sought to define a role in society. "Muslim women here are starting to mobilize because they feel demonized," said Yvonne Haddad, a history professor at the University of Massachusetts who has written extensively about American Muslims.

Events like the World Trade Center bombing have increased hostility toward Muslims, she said, but the atmosphere of hostility provides Muslims with "a force to come together."

In organizing, Muslim women are stepping out from behind their husbands and fathers, who were usually the first to try to crack the language and cultural codes of their new nation.

"It is a universal pattern really," Ms. Haddad said. "When it looks like things are falling apart, the women step up. They used to defer to men, but when they see things are getting done, they organize themselves."

Muslim women from abroad are finding certain freedoms and mo-

bility that they lacked in their native countries, and the converts are finding that they can embrace Islam and still retain what they want from the American ethos of independence, hard work and self-expression.

There are roughly 30 Muslim women's organizations in the United States. Ten years ago, there were about five. Some organize themselves around their professions; there is an association of Muslim female lawyers, medical professionals and broadcast journalists.

The Muslim Women's League, a Detroit-based organization that has chapters throughout the United States, is one of the largest organizations for Muslim women in America, as is Mrs. Alkhatib's North American Council for Muslim Women, which has a membership of more than 350 members.

In the past, it was hard for Muslim women to organize because of the variety of languages and cultures of immigrants and because American converts often felt like outsiders in an ethnic community.

Some are Koranic study groups. Others have formed shelters for battered women. Often, they are meetings where plans are made to challenge school boards that refuse to excuse their children for Muslim holidays, small-town newspapers that mock their dress and employers who deny jobs to members of their community.



Armed Jewish settlers praying Monday as they blocked the main road from Nabulus to Jerusalem and the exit from a refugee camp.

Israel Accused of 2 Standards on Unrest

New York Times Service
JERUSALEM — As protesting Jewish settlers barricaded highways in the occupied territories with little interference from the army, a Palestinian leader accused the Israeli government Monday of following a double standard in its handling of Jewish unrest aroused by the killing of a settler.

"We hold the Israeli Army and the Israeli government fully responsible for what the settlers are doing," said Faisal Hussein, the leading representative of the Palestine Liberation Organization in the occupied territories. "We will know how to defend ourselves."

Arab traffic was paralyzed during the early morning rush hour as settlers blocked highways throughout the West Bank and Gaza Strip with rocks and burning tires for a second day. Thousands of Palestinian laborers were prevented from reaching their jobs in Israel during the three-hour blockade.

On the West Bank, a Palestinian and his son were wounded when shots were fired at their car near the settlement of Tagnah south of Nabulus. The Committee for Security on the Roads, a militant Jewish group, claimed responsibility for the shooting in a phone call to Israel Radio. In the Gaza Strip, Arab-owned hothouses were set on fire.

On Sunday, a Palestinian was shot and seriously wounded in the Gaza Strip and at least 20 Arabs were reportedly injured when settlers smashed car windows and assaulted motorists.

The settlers had taken to the streets after Palestinian gunmen near Hebron wounded a prominent rabbi and killed his driver.

The settlers had told the army in advance that they would block the highways from 4:30 to 7:30 A.M., but despite warnings from the army that the roads would be kept open, many roadblocks remained. This prompted Mr. Hussein's charge of a double standard. But Israeli officials denied this.

Peace Foes Seek Clout In Jordan Election

Reuters
AMMAN, Jordan — Jordanians voted Monday in their first multiparty election in 37 years, with the Islamic Action Front seeking enough legislative seats to obstruct plans to make peace with Israel.

The fundamentalist party, the disciplined political arm of the Muslim Brotherhood, contested 36 of the 80 seats in the lower house.

Despite complaints of government harassment, including a ban on public rallies and campaigning in mosques, Ishaq Farhan, leader of the Front, predicted that it would win at least the 22 seats held in the last legislature.

"We will confront in the next parliament all the attempts at normalization with the Jewish state and the Zionist onslaught with all the political means within the law," Mr. Farhan said.

In a campaign dominated by local concerns such as unemployment, the Islamic Action Front was alone in focusing on the emotional issue of opposing peace with Israel.

However, independent political observers believed that the Front would do well just to maintain its former strength; a view reinforced by fundamentalists' complaints that their campaign had been hurt by King Hussein's government.

"We will continue to be a force to be reckoned with in Jordan's political life and a major force in parliament irrespective of the final results," Mr. Farhan said.

King Hussein, speaking at an election press center, said legislators must show responsibility "at this very crucial stage" in Jordan's history.

The monarch refused to confirm or deny Israeli reports that he had secretly conducted negotiations on economic and political ties in Amman this week with Foreign Minister Shimon Peres of Israel.

Despite the potential for a divisive debate over current peace talks with Israel — the king had considered postponing the vote — the first multiparty election since 1956 was relatively tame.

King Hussein had left the Muslim Brotherhood intact when he banned political parties after a leftist coup attempt in 1957. In a 1989 election it won the largest bloc in parliament.

Although they could not shape legislation, they irritated the government by opposing economic reforms, trying to impose Islamic rules and persistently making accusations of corruption.

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First for Royal Europe: Juan Carlos in Israel

Reuters
TEL AVIV — King Juan Carlos I and Queen Sofia of Spain arrived in Israel on Monday for a three-day visit, the first by a European monarch to the Jewish state.

The king and queen were met at Ben-Gurion airport by Foreign Minister Shimon Peres and traveled by car to a welcoming ceremony in Jerusalem. Carlos is scheduled to meet representatives of the Palestinian community on Tuesday. He will also address Israel's parliament.

Arafat, in Brussels, Received as a Head of State

Reuters
BRUSSELS — Yasser Arafat, the PLO leader, made his first official visit to the European Community on Monday and said the Community's moral and material support was vital to rebuild the devastated occupied territories.

"The European role is very important, not only in economic but also in political terms," Mr. Arafat said at a news conference after meeting EC foreign ministers during his two-day visit to Brussels.

Mr. Arafat, who said earlier that he was

expecting "a lot" of help from the 12-member bloc, said assistance was needed to rebuild communications systems, hospitals, schools and other infrastructure.

During his visit, diplomats said, Mr. Arafat, the chairman of the Palestine Liberation Organization, was being treated like a head of state — a point of protocol that Israeli sources said would be carefully noted by the Jewish state.

Hanan Ashrawi, who was spokeswoman for the Palestinian delegation to the Arab-Israeli peace talks, is joining Mr. Arafat at

meetings with EC and Belgian officials.

"I am confident of getting EC support," Mrs. Ashrawi said.

The Community is the biggest single aid donor to the occupied territories and has made the Middle East one of its foreign priorities, along with the former Yugoslavia and South Africa.

The 12-member bloc is pumping 90 million Ecu (\$102 million) of aid into the West Bank and Gaza Strip this year and has said it also has backing for a five-year development plan valued at 500 million Ecu.

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Herald Tribune

Whiff cloud Tokyo

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Whiff of Scandal Clouds Future of Tokyo Reform Bill

By T.R. Reid
Washington Post Service

TOKYO — Ichiro Ozawa, a member of parliament and a chief strategist for Japan's governing coalition, argued at a news conference Monday that his receipt of contributions from a construction company touched by scandal proved the need for a law that he is pushing to tighten contribution rules.

Appearing unmoved by his brush with scandal, Mr. Ozawa conceded the truth of news reports saying he received contributions in December from Kajima Corp., a general contractor that has recently been charged with bribing numerous senior politicians to help win government contracts.

Mr. Ozawa insisted that the contributions were legal. Whether this is so depends on how much money was received and how it was used. Mr. Ozawa provided minimal information on those points.

He noted that detailed reporting is not required under Japan's current political contribution law. Accordingly, he called for a new law that would force politicians to report the very information he declined to reveal Monday.

Mr. Ozawa, who led the long-dominant Liberal Democratic Party in June to help form the Japan Renewal Party, plays an important role in the coalition government's effort to pass a major new political reform law, which would include tough new regulations on corporate contributions.

Prime Minister Morihiro Hosokawa must get the bill approved in the lower house of parliament by next week in order to get it enacted by the end of the year. That is his No. 1 legislative priority.

If Mr. Hosokawa can successfully steer the bill to passage, that will greatly enhance his stature, and probably extend the life of his coalition government for a year or more. It would also assure Mr. Hosokawa the political clout to make other changes, including the opening of Japan's rice market to imports from the United States and elsewhere.

If the political reform bill does not pass in the next two weeks, it probably will not be fatal for the coalition. But failure could undermine Mr. Hosokawa's potential to achieve the broad economic and regulatory changes he is seeking.

Since Mr. Ozawa is an important member of the seven-party alliance that makes up Mr. Hosokawa's government, there was considerable debate here about the impact

of the contributions from Kajima. One theory, which seems to be shared by Mr. Ozawa himself, is that the latest news will not harm the prospects of the political contribution bill.

Another view holds that, because of Mr. Ozawa's clout in the coalition, his admission will embarrass Mr. Hosokawa and make it harder for him to force the bill through in the next two weeks. But since the contributions in question — about \$46,000 according to news reports — are relatively small for a major politician here, and since Mr. Ozawa insisted so forcefully that his receipts were legal, the damage to Mr. Hosokawa may be small.

Many top Japanese politicians have been accused of receiving illicit contributions in recent years. Normally, they respond with a flat denial and no further comment.

Mr. Ozawa, in contrast, came striding into a jammed news conference Monday with a broad smile and calmly took questions for an hour.

He seemed unfazed even when reporters quoted the sentence from his own best-selling book that calls for public reporting of every contribution "down to the last yen." Mr. Ozawa conceded that he had not done this for the Kajima contributions, but argued that current law does not require it.

The proposal in his book, he said, "is about what the law should be in the future."



Mr. Ozawa at his Tokyo news conference, where he conceded having received corporate funds.

U.S.-Pakistan Talks Deadlock

No Progress on Nuclear Nonproliferation

Compiled by The Staff From Dapunta

ISLAMABAD, Pakistan — Pakistani and U.S. officials made scant progress in resolving differences over Islamabad's nuclear program after two days of talks, officials said Monday.

"It would be misleading if I said there was an opening on nonproliferation," said a senior U.S. official who declined to be named. "But we have a dialogue going."

Assistant Secretary of State Robert L. Raphael held two days of talks with Prime Minister Benazir Bhutto, the army chief, General Abdul Waheed, and other officials. The discussions focused on strained Pakistan-U.S. ties and Islamabad's differences with India over the disputed region of Kashmir.

"A window of opportunity has been opened for improved Pakistan-U.S. relations," a Pakistani spokesman quoted Mrs. Bhutto as telling a cabinet meeting after the talks.

Traditionally friendly relations between the United States and Pakistan have been strained for more than three years by U.S. suspicions that Islamabad is using its nuclear program to make weapons, a charge Pakistan denies.

Washington cut off all military and economic aid to Pakistan in 1990. Last August, it ordered economic sanctions against Pakistan and China, saying Beijing had sold sensitive missile technology to Islamabad in violation of international arms controls.

"We have worked hard to cooperate with Pakistan but we are stuck in a legal bind that provides no flexibility," the U.S. official said, commenting on talks on the nuclear issue.

"Nonproliferation remains a major concern for the government of the United States," the official said. Pakistan refuses to sign the nuclear nonproliferation treaty unless India also does so.

"We come away feeling we have accomplished quite a bit," the U.S. official said. "It doesn't mean there were specific agreements, breakthroughs."

But the official said Washington was putting pressure on both India and Pakistan to resolve their differences over Kashmir, which brought the neighbors — both believed to have a nuclear capability — to the brink of war in 1990.

Assistant Secretary of State Raphael, who is not visiting India this trip, has angered New Delhi by

Signs of a Hardening In U.S. Tone on Korea

Agence France Press

SEOUL — A South Korean official said Monday that President Bill Clinton's warning that a North Korean attack on the South would mean war with the United States was confirmation of long-standing policy, but some analysts said it marked a hardening of the U.S. position.

Michael Breen, a North Korea specialist with Seoul-based Ment Consulting, said that in "the last few days, there seems to be a real change in the tone of what is coming out of U.S. military and intelligence."

"Clinton is probably talking tough because somebody has told him you can negotiate with the North Koreans, but they see it as a sign of weakness," Mr. Breen said.

Mr. Clinton said in a broadcast interview Sunday that a North Korean attack against the South would be viewed as an attack upon the United States. He reiterated that Pyongyang "cannot be allowed to develop a nuclear bomb."

A senior South Korean Foreign Ministry official, speaking privately, said Mr. Clinton was reconfirming stated policy of pursuing dialogue while maintaining a strong defensive posture.

"Clinton is repeating our bottom line that North Korea should not be allowed to possess nuclear weapons," the official said.

Cha Young Ku, research director for the Korea Institute for Defense Analysis, which is backed by the Seoul government, said that any attack on the South would inevitably have an effect on the United States since there are already American troops in South Korea.

About 36,000 U.S. troops are in the South as a "trip-wire" against aggression by the North and as a reminder that an attack on the South will automatically draw American and allied UN troops into the action.

The North Korean Communist Party has summoned an emergency Central Committee meeting for next week, apparently to work out a stance in the face of mounting international pressure for the North to allow inspections by a UN agency of its nuclear facilities.

Drug Smuggler Is Executed By Taiwan

Reuters

TAIPEI — A Taiwanese fisherman was executed Monday for smuggling drugs onto the island from China, the first execution of a drug smuggler in 13 years, a prison spokesman said.

Hsu Wen-ta, 34, lying on his back, was shot twice in the temple at the penitentiary in Kaohsiung at dawn, said the prison secretary-general, Chen Chin-feng.

Last month, the Supreme Court upheld the death sentence on Mr. Hsu, captain of a fishing boat, for smuggling 38.7 kilograms (85 pounds) of heroin onto the island from China last November.

Hanoi Said to Be Abusing Prisoner

By Philip Shenon
New York Times Service

BANGKOK — Human rights groups and foreign diplomats have received reports that Vietnam is mistreating its most prominent political prisoner, a doctor who has spent most of the last 15 years in jail because of his harsh criticism of the government.

The prisoner, Nguyen Dan Que, has a history of poor health. Human rights groups and Dr. Que's family in the United States say they have received reliable information in recent weeks that the 51-year-old radiologist is being held in solitary confinement and that he has been forced to resume hard labor.

Concerns about Dr. Que were heightened in August, when Vietnamese officials abruptly canceled a meeting between Dr. Que and Senator Charles S. Robb, Democrat of Virginia.

The State Department and Mr. Robb had raised Dr. Que's plight in recent meetings with Vietnamese officials, suggesting that mistreatment of Dr. Que could slow progress toward normal diplomatic and trade relations.

In a handwritten letter dated Aug. 29 and said by Dr. Que's family to have been smuggled out of prison camp, Dr. Que wrote that the Hanoi government was trying to take "revenge" on him.

The letter said the government was "carrying out a lot of measures of terror and repression against the political prisoners after the failure of the meeting between me and Senator Charles Robb."

The Vietnamese government has denied that the doctor is being mistreated. In a statement last week, the Foreign Ministry in Hanoi said Dr. Que "is in very good condition,

Drug Smuggler Is Executed By Taiwan

normal condition, and he is not being forced to do labor."

While Vietnam's Communist government has moved in recent years to improve its image by releasing hundreds of political prisoners, it continues to imprison several dissidents, including Dr. Que.

Mr. Robb met last month with Deputy Foreign Minister Le Mai "and reiterated my deep concern about Dr. Que's health."

After forming a group called the National Front for Progress, Dr. Que was arrested in 1978 on charges of "rebellion" and imprisoned without trial for 10 years.

After his release in 1988, he formed a new group, and he was arrested again in 1990.

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UKRAINE: Cradle of Poverty

Continued from Page 1

1990s, and World War II claimed millions more victims on Ukrainian soil...

But to the nation that in Communist times was the breadbasket of the Soviet Union, the spirit into hopelessness has come as a dreadful surprise...

"I've been working here for 30 years and I can't even afford to buy coffee or candy," said a 63-year-old retiree in Dnipro, a village 50 miles east of Kiev...

In the Soviet era, Ukraine's seeming prosperity was based largely on cheap Russian energy, supplied at a small fraction of the world price...

To supply fuel to its industries, Ukraine has gone deeply into debt to Russia and the Central Asian republic of Turkmenistan...

POLICY: U.S. Foreign Affairs Triumvirate Stymied by Clinton's Apparent Lack of Interest

Continued from Page 1

state and the deputy in the Bush administration, senior officials said.

In their quest to make things better, the three share important strengths: high intelligence, total dedication to public service and the determination to keep disputes to a minimum...

Mr. Christopher marched into the Oval Office earlier this month and argued that the president's briefings by Mr. Lake—scheduled daily and often postponed—were not enough to insure that Mr. Clinton could direct policy decisions during takeoff rather than to put out fires after crash landings.

There was also a need to name Strobe Talbott-like clones—senior troubleshooters, who, like Mr. Talbott, the ambassador at large for the former Soviet Union, would cut through the interagency bureaucracy and keep policy on course...

That means a more visible and active role for Mr. Gergen, Mr. Christopher and Mr. Aspin have argued that the communications chief should have a permanent seat at all White House meetings of the top national security advisers.

Although Mr. Lake has strongly argued against it, according to senior officials, it is likely to happen. Mr. Clinton wants it to happen, Mr. Gergen smooths over the differences, saying: "Tony has never expressed his opposition. We're letting it evolve."

That the bureaucratic turf battle was disclosed at all illustrates just how serious the soul-searching has become due to the policy failures of Bosnia, Somalia and Haiti.

Both Mr. Christopher and Mr. Aspin were said to be furious when

no one at the White House told them that the CIA was sending briefers to Capitol Hill to tell lawmakers that Haiti's exiled president, the Reverend Jean-Bertrand Aristide, was mentally unstable.

In recent weeks, Mr. Christopher has made no secret of his conviction that the White House-led policy-making process has problems, stating publicly that there should have probably been a high-level review of American policy in Somalia after the killing of UN peacekeepers in June.

Mr. Lake has told his aides that such criticism is unfair, saying that the committee of "deputies" run by his own deputy, Samuel R. Berger, can only do so much and that strong working groups under the assistant secretaries of state must do most of the preparatory work.

Senior Pentagon officials, meanwhile, contend that the problem lies with Mr. Lake's National Security Council team, which they call disorganized and highly politicized.

While Mr. Christopher and Mr. Aspin say they get along well, they have sharply different styles. Mr. Christopher is so disciplined that he prepares and edits written remarks even for a short encounter with a lawmaker or a journalist, so goal-oriented that he sees every meeting as an opportunity to get results. Mr. Aspin takes the stream-of-consciousness approach, believing that asking the right question is just as important as getting the right answer.

Nothing illustrates the differences better than a closed-door Somalia briefing on Capitol Hill after 18 Americans were killed and dozens wounded last month. Mr. Christopher came up with a loose-leaf binder of answers, tabulated according to subject. Mr. Aspin had scribbled a few notes on the back of a Manila envelope.

Lawmakers were particularly enraged when Mr. Aspin asked them for advice on what the administration should do rather than lay out a strategy, which he could not do

because Mr. Clinton was a day away from making a decision.

"We shouldn't have gone up, and I said we shouldn't have gone up," said Mr. Aspin, who spent 22 years in Congress, a number as chairman of the House Armed Services Committee.

When Mr. Aspin is asked by colleagues whether there is room for personal improvement, he pushes the questions away. Mr. Christopher acknowledges that his personality may not be magnetic, but quips that it is a little late to change.

It is Mr. Lake who is being overhauled.

A self-acknowledged perfectionist, he describes himself to friends as a Type-A personality who longs to fly around with the air force in an F-15 and finds it amusing that reporters describe him as a laid-back-professor type.

He can also be found dining alone in a Japanese restaurant on a Saturday night reading a biography of the Civil War hero Joshua L. Chamberlain, and he fantasizes about writing a book about the 17th-century Pequot Indian wars.

But longtime friends and colleagues say that his insistence that he would rather be milking cows on his 140-acre farm in Western Massachusetts is a smoke screen and that he is determined to go down in history as a foreign policy success.

Mr. Lake said in a book he co-wrote in 1984 that the national security adviser "should be strictly an inside operator."

"To avoid the massive confusion of the last decade and more, the adviser should not speak publicly, engage in diplomacy, or undermine the secretary with Congress and the news media," he said.

But the anonymity has evaporated.

RECORDS: An Indian Nails His Spot in the Books

Continued from Page 1

est single column of coins ever stacked on the edge of a coin was made up of 253 Indian one rupee pieces on top of a vertical five rupee coin, by Dipak Syal of Yamuna Nagar, India on 3 May 1991.

"I wanted to do something extraordinary," explained Mr. Syal, "something new, independently. In this line I got encouragement from the media, not from the government officials. Right now I am struggling for the national award. I got state awards last year."

When told that his rice calligraphy had been omitted this year, Mr. Syal churned through his well-thumbed copy of the new edition, muttering to himself. Mollified somewhat by his citation for coin balancing, he quickly told of his new exploit.

"I have balanced six tennis balls on each other," he said, "but it's not a world record. I have to balance at least 9 or 10 balls. I want to break at least 11 world records and

then I will be on top of the world. That is my mission."

Not all of India's Guinness champs are there by dint of accomplishment. Gul Mohammed, 35, a former sweets seller, stands tall at precisely 22.5 inches, making him the shortest living adult on the planet.

"People come to see me because of this," said Mr. Gul.

For determination, though, for sheer dint of perseverance, Mr. Sharma and his tendril-like nails exemplify the compulsions of the Guinness Book, a compulsion that has dramatically altered his life.

"I never imagined it would turn to this," he confessed. "It requires patience just for perfection. I can't sleep more than half an hour at a time, or the nails could break."

To ensure that his nails remain intact, Mr. Sharma has not availed himself of the city's manicurists, preferring instead to wrap his nails in blue and white tape. It took 14

years for Mr. Sharma to break into the Guinness Book, pummeling a record held until then by a Chinese monk. "My wife was pleased that her husband was such a man that appeared in the paper," he said.

A result of his quest, however, has been a sharp curtailment of his activities. While he does manage to run a small advertising agency, he cannot travel by air or bus, and he avoids crowds. "I do go to restaurants," he said, "but I have to be careful. Usually if people see me, they just give way."

But Mr. Sharma's dominance of the fingernail was staggered with the release of the 1993 Guinness Book, declaring that the new champ was Shridhar Chitral of Maharashtra, with a solid 19.5 inches of nail power. Stung by the challenge, Mr. Sharma was unbowed.

"I want to keep going," he said, his jaw set. "I am now 196 inches. I want to keep going so my record is never broken. Let's see how much time I can live."

JAPAN: Panel Lists Economy Rules It Will Try to End

Continued from Page 1

the domestic economy and is intended to address a still-muted but growing anger over the fact that Japanese consumers have seen little benefit from the enormous economic might amassed here. Mr. Hosokawa is getting record approval ratings in polls in part because he is seen as committed to helping consumers.

"What we sensed was a very conspicuous sense of frustration, particularly from the private sector," Mr. Gyohten said. "They are simply fed up."

While economists in the West have tended to view all capitalist economies as basically similar because of the supremacy of the markets, the Japanese have long clung to the view that state support is essential in nurturing certain busi-

nesses and making industries competitive internationally.

The fundamental policy underlying the commission's report, however, is that the time has come to reduce government's role in the economy. It speaks frequently of "the principles of self-responsibility," meaning that businesses must get used to funding for themselves.

In addition, the report suggests that Japan should become a nation of laws rather than one of bureaucratic fiat. Currently, bureaucrats can influence businesses through what is known as "administrative guidance"—in effect, orders that often are not written down.

The commission sought to improve chances of enactment of its proposals by recommending the creation of two bodies with supervisory responsibility. It suggested that the prime minister himself head one council, which would constantly push for scrapping unnecessary rules and would prepare a five-year deregulation program.

The commission also proposed the creation of an independent body to monitor deregulation. "This is not a panacea; it's not a bonanza for the society as a whole," Mr. Gyohten said. "Deregulation means in the first stage some loss of jobs. So we have to suffer in that sense. People have to know it's not all rosy, at least at first."

Assassinations Stir Fear of Rekindled War in El Salvador

By Douglas Farah Washington Post Service

SAN SALVADOR—A surge in political violence, including the assassinations of leaders of El Salvador's former guerrilla front, is threatening a fragile peace process in this nation struggling for reconciliation after a decade of civil war.

Two recent high-profile assassinations of leaders of the Farabundo Marti National Liberation Front prompted the UN undersecretary-general, Marrack L. Goulding, to schedule a visit soon to investigate the apparent renewal of rightist death squads.

The Farabundo Marti guerrilla army became a political party after signing a UN-negotiated peace agreement 10 months ago with the rightist government. But the recent killings have engendered concern for the peace process, especially presidential, legislative and municipal elections scheduled for March.

These are to be the first elections to include the Farabundo Marti. For years, it justified armed struggle by arguing that its candidates could not compete for votes in the climate of terror that prevailed. The Farabundo Marti has contributed to the climate of unease. It has hidden large numbers of arms, and some former members have threatened reprisal assassinations against rightists. Gunmen wearing Farabundo Marti badges recently attacked a conservative newspaper.

Guerrilla leaders told the United Nations that the group had destroyed or turned over all its weapons, as required under the agreements that ended the war. When a large arsenal was discovered in Nicaragua in May, the group justified the caches as necessary in case its leaders were attacked. It now says it has no hidden weapons.

On Oct. 25, Francisco Veliz, 37, a Farabundo Marti leader and candidate for the Legislative Assembly, was shot and killed, and four days later so was Helene Herman Castro, 56, a popular former guerrilla commander in the San Vicente region.

"The peace process can be lost because of actions like these," said Roberto Roca, one of the five top leaders of the Farabundo Marti. "If recalcitrant sectors of the far right want to do this, we have to tell them we will not stand for it."

At a news conference after the killing of Mr. Veliz, the guerrilla leader Ana Guadalupe Martinez said: "The credibility of the changes in this country is at risk if this murder is not cleared up. There are sectors who never wanted to accept the peace accords. We must not see the death squads as isolated, clandestine groups. They have a political plan, a political body and a political head. There is sufficient evidence to find the guilty."

President Alfredo Cristiani, of the conservative Nationalist Republican Alliance, condemned the killings and promised "serious investigations." The U.S. ambassador, Alan Flanagan, announced that the FBI, at the invitation of the government, would assist.

THE BEST OF EUROPEAN BUSINESS TRAVEL

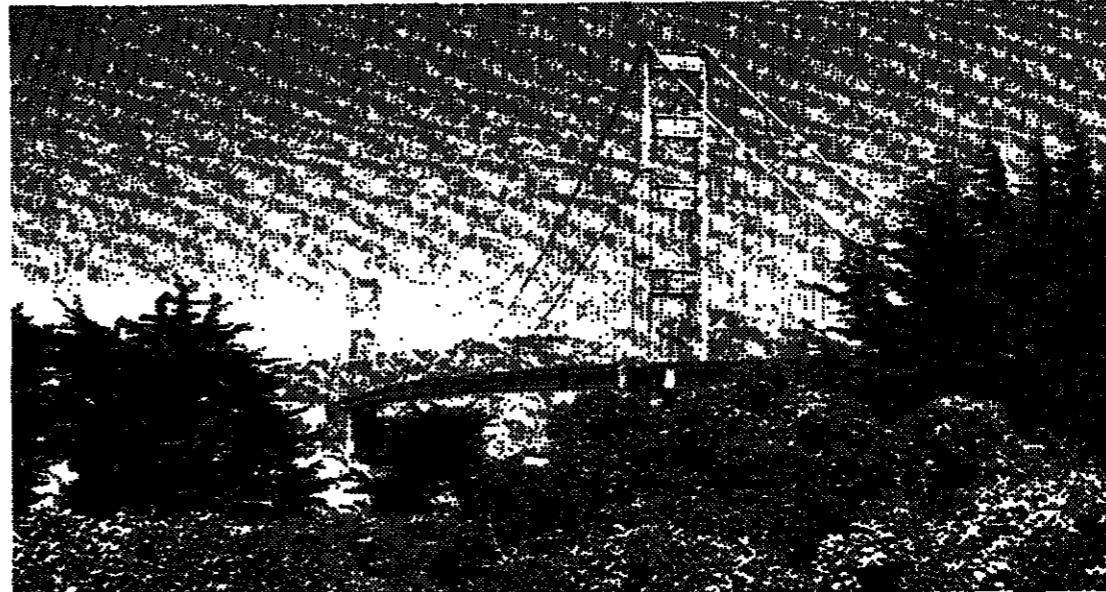
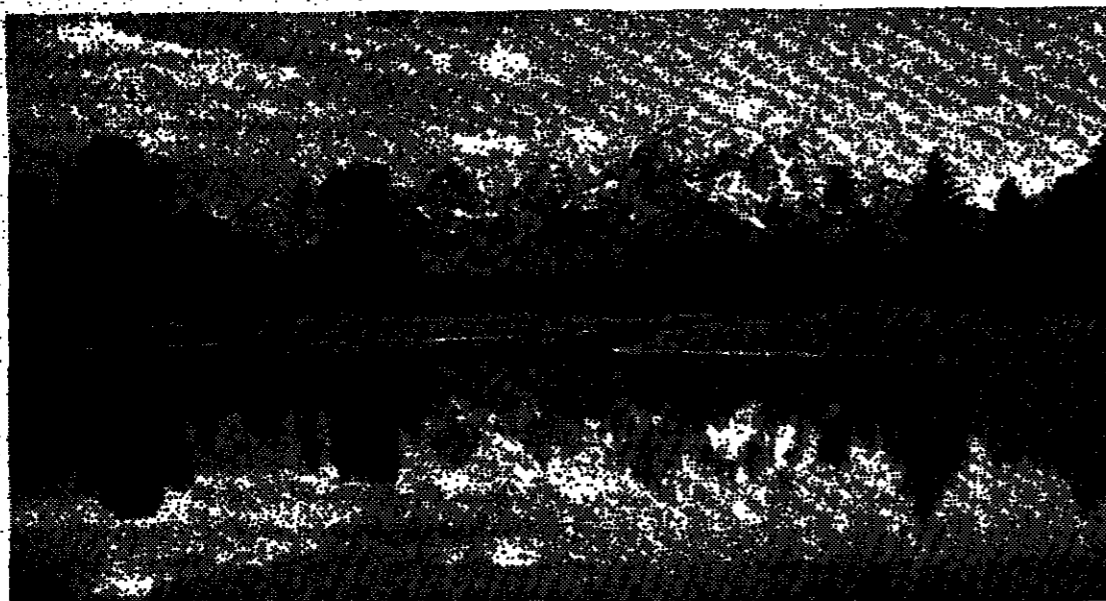
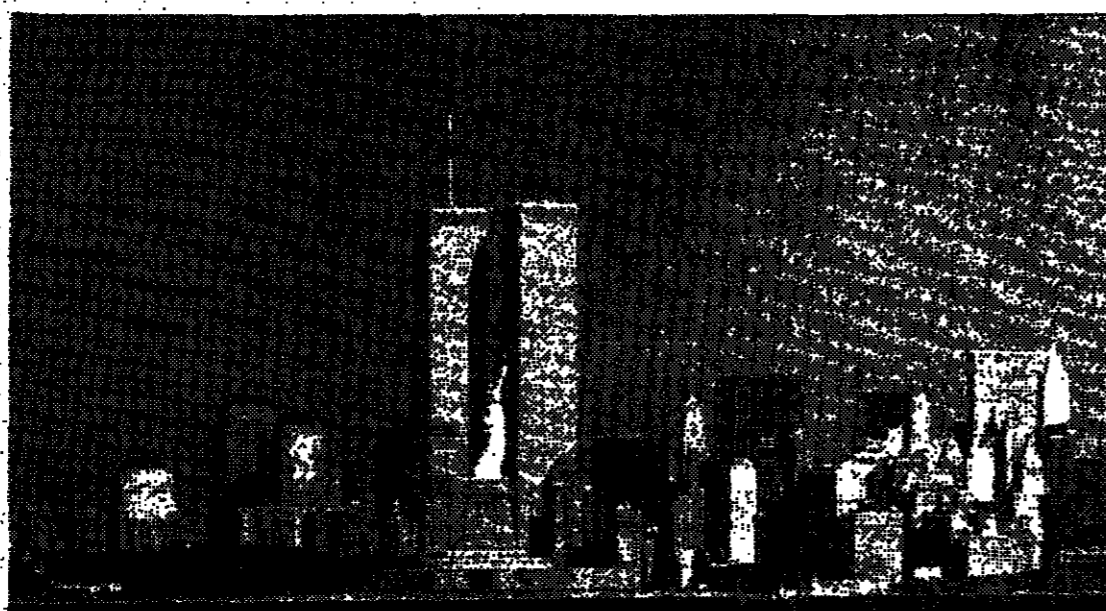
Grid of hotel advertisements for various European cities including ABANO TERME, BRUSSELS, CRANS MONTANA, GLASGOW, NAPLES, AMSTERDAM, FRANKFURT, LONDON, PARIS, ATHENS, BUDAPEST, MUNICH, VIENNA, and SWITZERLAND. Each entry includes hotel name, address, and contact information.

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Large classified advertisement section containing various categories: PERSONALS, REAL ESTATE, BUSINESS OPPORTUNITIES, LEGAL SERVICES, REAL ESTATE TO RENT/SHARE, AT HOME IN PARIS, RENOVATED STUDIO, EMPLOYMENT, EDUCATIONAL POSITIONS AVAILABLE, AUTOS TAX FREE, LOW COST FLIGHTS, FOR SALE & WANTED, ESCORTS & GUIDES, BELGRAVIA ORCHIDS, BELLE EPOCH THE ESCORT SERVICE, MERCEDES, ROTTERDAM WHITE'S, GENEVA - PARIS, INTERNATIONAL ESCORTS, FREDDY, and USA RESIDENTIAL.

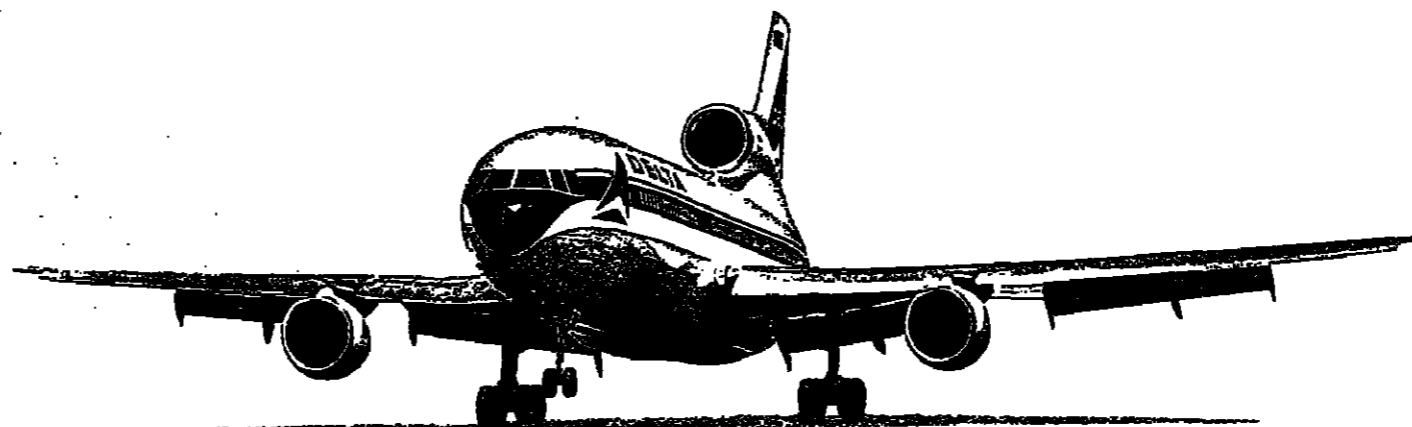
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 **DELTA AIR LINES**

Style

Lighting a Way Forward? A Reflective Karan, and Purity by Klein

By Suzy Menkes
International Herald Tribune

NEW YORK — Like glowworms in the dark, 400 lamps illuminated the fashion tent. The beams lit up a phosphorescent silver shape on the runway. Was this fashion's future? Space-age style for the next century? Or just the latest line in silver wear from Donna Karan?

The opening of Karan's show made a symbolic ending to the New York fashion shows and to the six-week international spring-summer 1994 season. For with or without a handout of a headlamp, the pros have been groping for fashion's way ahead. Karan showed clean modern clothes in futuristic reflective fabrics and Calvin Klein made the best of pure and spare, yet New York did not supply the juice for fashion's forward thrust.

Yet at least American designers did not look back. The costume-party clothes, with echoes of Victoriana or hippies, had been cleaned right out of the shows — apart from a few ruffled sleeves, Mozart jackets and cavalier shirts in Richard Tyler's collection. But what did that leave? Clothes that were bare, spare and hardly there.

If you want minimalism with a light touch, Calvin Klein did that very well. He brought to fairly familiar clothes a refined sense of color and contrasting textures. The clothes too came in threes, for the concept of the collection was layering. A typical outfit would have two tank-tops under a long jacket and a brief floppy skirt, so that layers of hems would overlap in one, two, three, four waves from hip to thigh.

Subtle colorings meant mixing ivory, shell and blush pinks — what Klein called "face-powder colors" at the party he gave the evening of his show at the downtown Odéon restaurant. A more graphic combination, highlighting the layers, was black and white — a white slip dress over a black tank top.

Textures too had the subtlest variations: slithering satin with wispy chiffon, faint flower prints or gossamer knits. The doubling or trebling of layers made sheer bearable and wearable. And the colors and textures prevented the show from being so plain it hurt.

The nobility of the dress was also part of Klein's forceful statement. It came either calf-length or short

with movement at the hem. There were more short skirts than long, but never short and tight. The co-existence of different hem lengths is the American way.

Klein's show emphasized another New York message: the sliding of day and evening clothes. At night, soft creamy knits warmed up light layers — part of the modern spirit of Klein's collection.

NEW YORK FASHION

the new millennium, because we have to go forward, not backward," said an emotional Donna Karan after her show, which led to the first hitch in an otherwise successful fashion season under canvas. Leading press and store presidents were locked out of the show by zealous security guards.

KARAN'S show opened dramatically with the reflective fabrics — an idea picked up from cyclists on New York's gridlocked streets. Although there may be few potential customers who want to glow in the dark, it set the tone.

The sleek separates were fine, but not really so forward-looking, for fashion rocketed off 25 years ago on this same space-age route with Cardin and Courages. The new fabric updated the look for the 1990s, but it was still based on a Star Trek image of a silver bodysuit and short A-line skirt under sweeping coat. Karan also showed long skirts split at the sides and body-skimming dresses.

Shimmering silver included silver lurex knitwear. The same color palette brought gentler tones of smoke and fog that drifted round the body in chiffon at night. Lightness as well as shine was Karan's message and that gave her fashion futurism poetry and romance.

Isaac Mizrahi's show could have used bad taste, kitsch, sex or seduction — anything to lighten the parade of nice wearable clothes without any sort of twist. A commercial fashion show is like decaffeinated coffee. It may be what everybody needs, but where's the kick?

Mizrahi sent out unmemorable suits in Prince-of-Wales checks; nice navy jackets with short school-girl-pleated skirts. He played with striped knits in primary colors that were a shock after the quiet shades on other runways. Like so much of

the show, the knits could have been the start of something strong. But the short-sleeved striped polo shirts worn with baggy high-waist "Marx Brothers" pants just pestered out.

The final passage had some energy. For jackets, tops and even the wedding dress were made out of metal discs stamped from Coca-Cola cans — a witty and sparky take on fashion's recycling trend.

Ecology is in the air — and it sure was on the runway of the Cuban designer Manolo, whose Nereids with vertigris hand-painted bustiers and fronds of skirt appeared to have been scraped off the ocean floor to walk his green-plank runway. The fashion-for-art-sake clothes had a charm in New York's commercial clothing business, and they showed loving craftsmanship.

In a season when minimalism ruled the runways, enter a decorator. Californian-based Richard Tyler made sportswear with a flourish, adding ruffled sleeves like festoon blinds to a plain jacket or sending a cascade of ruffles spilling over the chest under a curved riding coat.

This dandified look had as a base Tyler's well-tailored jackets that would come out simply with a pattern of broken stripes. Frock coats were light and airy and given a modern spin with floppy short skirts underneath. But Tyler's ideas-from-the-attic looked like a reprise of the winter season.

His light dresses in fagotated white cotton and micro-minikits were in the Lolita spirit that cavorted through the New York shows.

Lingerie lingers on in fashion as baby-doll nighties and slip-dresses meant for public view. Fernando Sanchez took underwear back to the boudoir, but the lingerie designer made his bathrobes and pajamas look more solid and stolid than current ethereal fashions.

IN a city where the personal trainer is the new hero, high-voltage sportswear is fast fashion. Norma Kamali started her show with real gymnasts working out in sporty sweats that made fashionable pieces. But Kamali's real strength is in her seductive bias-cut dresses sliding effortlessly across the well-honed body.

Zoran, the master of minimalism, did what he has always done and other designers now aspire to: simple, graceful, luxurious clothes that whisper rather than shout, with the focus on fabrics. Before his tiny show not going, Zoran unveiled his outfit in shades of natural, white and cream, and silken cloud grays, in the windows of Henri Bendel on Fifth Avenue.

"Did you get the message — the public saw it first!" said Zoran. It was another metaphor about modern American fashion: the customer now calls the shots, and American designers' motto seems to be "If the public won't buy it, don't try it."



Karan's satin split-dress, left; Klein's tank tops and short floppy skirt; Mizrahi's "Marx Brothers" pants, top, and Tyler's ruffle-front skirt.

Sharing Obsessions: The Zany World of Zines

By Eric Messinger
New York Times Service

NEW YORK — Welcome to the highly irregular world of zines, the magazine equivalent of public-access television. Typically the effort of one person or a small group of like-minded friends operating on an evanescent budget, zines are invariably too singular in theme or too idiosyncratic

in style to have mainstream appeal. While zine purists argue that only those publications of the most modest production values and meager circulations should be considered zines, others identify them by their contents.

"I can't say there's an agenda that connects them," said Terry Morello, the special-projects director at Exit Art/The First World, an arts center in New York that sells zines. "Many have a kind

of aesthetic that's an anti-aesthetic, a vague, unfocused anger. But others are simply informative, like the one about preserving eight-track tapes."

Zines. The word itself is thought to have been popularized in the early 1980s by Mike Gunderloy, the founding publisher of Fact-sheet Five, a zine that has evolved into the premier zine review.

"He was seeing scientific fanzines, like 'Star Trek' stuff, music fanzines from the punk scene and lots of amateur press stuff, so the phrase basically was his way of describing all these publications coming across his life," said R. Seth Friedman, the current publisher.

Friedman estimates that the number of zines in the United States has increased over the past decade to about 20,000 from 5,000, with a particularly large surge during the last two years. Indeed, at many independent bookstores they seem to be metastasizing on magazine shelves.

Quarterly. This glossy zine says it "approaches the diversities in art and design, photography, the mature direction of comic books, the art and culture surrounding them, the sub-lifestyles of snowboarding, skateboarding and the music which surrounds it all."

Not the easiest mix to make sense of. But true to its name, Blur's images, generally quite striking, tend to be shot in soft focus, and words are often superimposed on the imagery, making for challenging reading. Highlight: An interview with Kent

Williams, an artist, begins: "Why Kent Williams? Because he is one of the nicest people I've ever worked with."

Williams, an artist, begins: "Why Kent Williams? Because he is one of the nicest people I've ever worked with."

his way through the streets and subways of Manhattan.

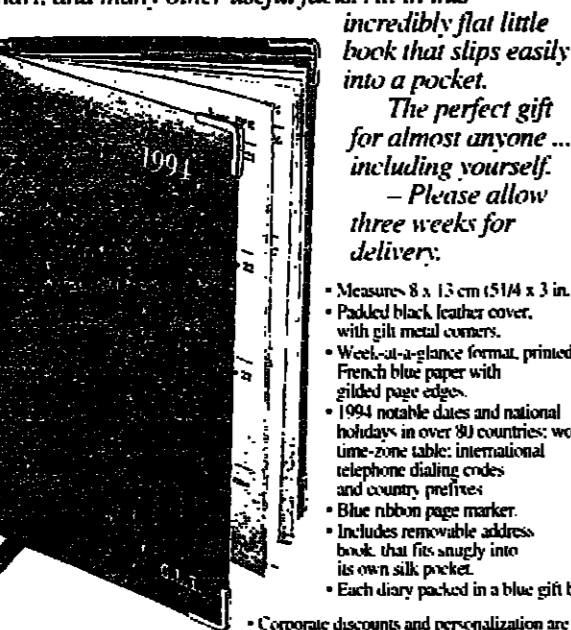
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The IHT Pocket Diary Puts 1994 Right Into Your Pocket.

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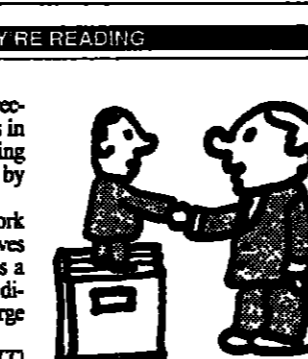
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BOOKS

THE CULTIVATION OF HATRED: The Bourgeois Experience Victoria to Freud. Vol. III
By Peter Gay. 685 pages. \$30. Norton.
Reviewed by Christopher Hitchens

VIRTUAL reality notwithstanding, the founding paternity of the modern world is still that of Marx, Darwin, Freud and Einstein. The late 19th century was innocent of the revolutionary cosmology of Einstein but experienced challenges to its worldview that were, in their implications, hardly less disturbing. Just as Lytton Strachey, in "Eminent Victorians" sought to show the play of ego and superego and even of id on the hallowed bishops, generals, schoolmasters and pietistic reformers of a deceptively stable era, so Peter Gay — in this third volume of his trilogy, "The Bourgeois Experience" — tries to illustrate the premonitions of the coming age through the travails and traumas of a preceding one. He strives with great success to avoid the historians' trap once finely summarized by E. P. Thompson as "the massive condensation of posterity. Through him, the denizens of the period are given their own voice."

There is a superfluous melodrama about the title. A more accurate name for the book might be "The Attempted Domestication of Hatred," as the Christian nations of Western Europe attempted to reconcile their organic traditions with unsettling new revelations. Among these revelations were mechanization, modern warfare, colonialism, the doctrine of evolution and the giving of clinical diagnostic names to sadism and masochism. The Victorians became aware, with differing degrees of reluctance, of the



potential for violence and cruelty contained within the family, within the psyche and within the hitherto God-given arrangement of the social hierarchy. By good fortune, this was a time of many literate and polymathic people — the last great stand of the humanist all-rounder before the time of the expert and the specialist — so that solid testimony is both rich and various.

At first examination, the teachings of Charles Darwin, Adam Smith and the Reverend Malthus appeared to license the view that some principle of "kill or be killed" operated at the level of nature, of society and of the economy. Yet this seemed to conflict with the teachings of the New Testament. Victorian hypocrisy thus arose from the necessary contradiction of continuing to exploit labor and to colonize foreigners, while maintaining that it was all for their own good. Gay's miniatures are especially excellent here: He shows the Victorian addiction to capital and corporate punishment, and to cold utilitarianism in the prison system, to be based on the same sinister claim offered by the stern chastiser who told the victim: "This hurts me more than it hurts you."

To take one example that Gay succeeds in making emblematic, we find Otto von Bismarck intervening in the German parliamentary debate on capital punishment. Bismarck's point was that the state and the society must be willing to take life without overmuch compunction, because otherwise the sickly and the "offensive" would prevail, and the nation could not fight to build and strengthen itself. This grand metaphorical portrait, one of Gay's finest, shows the latent connection between social Darwinism, the military ethic and the macho rhetoric of the nation-state.

Christopher Hitchens, who writes for *Wired* and *The Nation*, wrote this for *The Washington Post*.

What they're reading: Werner Schmidt, finance director at Volkswagen's headquarters in Wolfsburg, Germany, is reading "Danger in the Comfort Zone" by Judith M. Bardwick. "It helps reduce fears in the work place and has some clear directives for those in charge. Basically, it's a plea for more respect among individuals and toward those in charge at the work place." (Michael Kallenbach, IHT)

Animal Review. First published: February. Price: \$2. Frequency: Every three months. Though it describes itself as the "fanzine of herbivorous youth," there's no apparent reason why carnivores of any age wouldn't like this quirky guide. Essays on "macho animals," zoo reviews, peans to pets: If it has to do with animals, it can be found here. (So can the stray music review.) Highlight: A segment called "Gecko Q & A."

Blur. First published: February 1992. Price: \$7. Frequency: Quarterly. This glossy zine says it "approaches the diversities in art and design, photography, the mature direction of comic books, the art and culture surrounding them, the sub-lifestyles of snowboarding, skateboarding and the music which surrounds it all."

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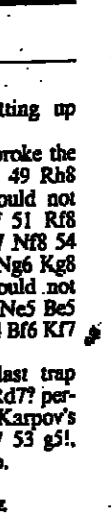
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CHESS

THE main hindrance in Jan Timman's play in the first half of his International Chess Federation championship match with Anatoly Karpov has been the endgame: when it is favorable for him, he does nothing more than draw, when it is unfavorable, he loses.

For example, the Dutchman lost Game 1 with mistakes in the ending and here, in Game 10, played in September in Amsterdam, he repeated the flaw.

It is questionable whether Timman should have used the Gruenfeld Defense, 3...d5. Karpov favors a quiet branch of the Exchange Variation with 7.Be3 c5 8.Qd2, which tends to devolve into a quiet endgame. In this game, the exchange of queens with 14...Qd2 15.Kd2 fit Karpov's requirements.



Chessboard position after 40...Bb1

File	Rank	Color	Piece
a8	8	Black	Rook
b8	8	Black	Pawn
c8	8	Black	Pawn
d8	8	Black	Pawn
e8	8	Black	Pawn
f8	8	Black	Pawn
g8	8	Black	Pawn
h8	8	Black	Pawn
a7	7	Black	Pawn
b7	7	Black	Pawn
c7	7	Black	Pawn
d7	7	Black	Pawn
e7	7	Black	Pawn
f7	7	Black	Pawn
g7	7	Black	Pawn
h7	7	Black	Pawn
a6	6	Black	Pawn
b6	6	Black	Pawn
c6	6	Black	Pawn
d6	6	Black	Pawn
e6	6	Black	Pawn
f6	6	Black	Pawn
g6	6	Black	Pawn
h6	6	Black	Pawn
a5	5	Black	Pawn
b5	5	Black	Pawn
c5	5	Black	Pawn
d5	5	Black	Pawn
e5	5	Black	Pawn
f5	5	Black	Pawn
g5	5	Black	Pawn
h5	5	Black	Pawn
a4	4	Black	Pawn
b4	4	Black	Pawn
c4	4	Black	Pawn
d4	4	Black	Pawn
e4	4	Black	Pawn
f4	4	Black	Pawn
g4	4	Black	Pawn
h4	4	Black	Pawn
a3	3	Black	Pawn
b3	3	Black	Pawn
c3	3	Black	Pawn
d3	3	Black	Pawn
e3	3	Black	Pawn
f3	3	Black	Pawn
g3	3	Black	Pawn
h3	3	Black	Pawn
a2	2	Black	Pawn
b2	2	Black	Pawn
c2	2	Black	Pawn
d2	2	Black	Pawn
e2	2	Black	Pawn
f2	2	Black	Pawn
g2	2	Black	Pawn
h2	2	Black	Pawn
a1	1	Black	Pawn
b1	1	Black	Pawn
c1	1	Black	Pawn
d1	1	Black	Pawn
e1	1	Black	Pawn
f1	1	Black	Pawn
g1	1	Black	Pawn
h1	1	Black	Pawn
a8	8	White	Pawn
b8	8	White	Pawn
c8	8	White	Pawn
d8	8	White	Pawn
e8	8	White	Pawn
f8	8	White	Pawn
g8	8	White	Pawn
h8	8	White	Pawn
a7	7	White	Pawn
b7	7	White	Pawn
c7	7	White	Pawn
d7	7	White	Pawn
e7	7	White	Pawn
f7	7	White	Pawn
g7	7	White	Pawn
h7	7	White	Pawn
a6	6	White	Pawn
b6	6	White	Pawn
c6	6	White	Pawn
d6	6	White	Pawn
e6	6	White	Pawn
f6	6	White	Pawn
g6	6	White	Pawn
h6	6	White	Pawn
a5	5	White	Pawn
b5	5	White	Pawn
c5	5	White	Pawn
d5	5	White	Pawn
e5	5	White	Pawn
f5	5	White	Pawn
g5	5	White	Pawn
h5	5	White	Pawn
a4	4	White	Pawn
b4	4	White	Pawn
c4	4	White	Pawn
d4	4	White	Pawn
e4	4	White	Pawn
f4	4	White	Pawn
g4	4	White	Pawn
h4	4	White	Pawn
a3	3	White	Pawn
b3	3	White	Pawn
c3	3	White	Pawn
d3	3	White	Pawn
e3	3	White	Pawn
f3	3	White	Pawn
g3	3	White	Pawn
h3	3	White	Pawn
a2	2	White	Pawn
b2	2	White	Pawn
c2	2	White	Pawn
d2	2	White	Pawn
e2	2	White	Pawn
f2	2	White	Pawn
g2	2	White	Pawn
h2	2	White	Pawn
a1	1	White	Pawn
b1	1	White	Pawn
c1	1	White	Pawn
d1	1	White	Pawn
e1	1	White	Pawn
f1	1	White	Pawn
g1	1	White	Pawn
h1	1	White	Pawn



THE TRIB INDEX: 109.07

International Herald Tribune World Stock Index

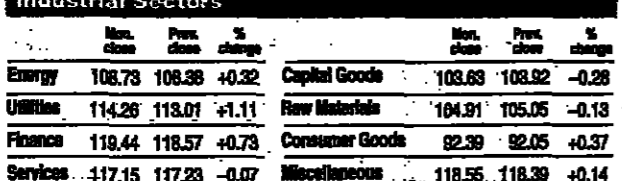
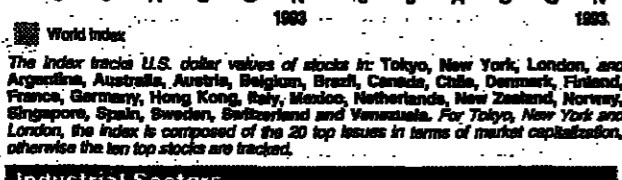
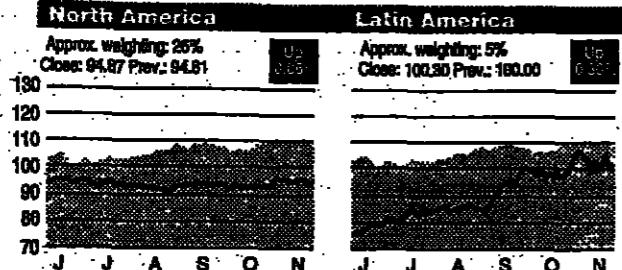
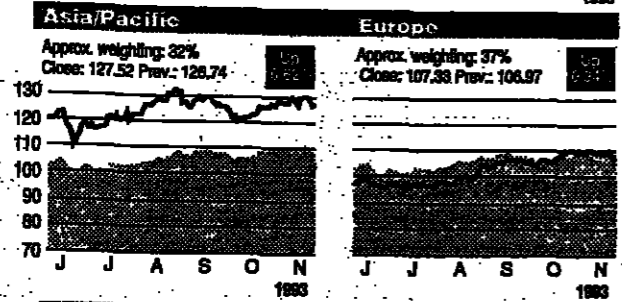
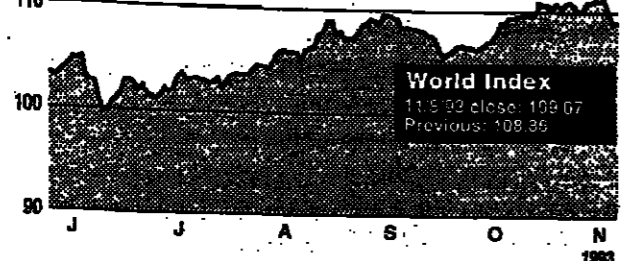


Table with 4 columns: Sector, Nov. 8, Nov. 1, % Change

IHT Index Is Joined By Latin America

International Herald Tribune

PARIS—The International Herald Tribune World Stock Index expanded its coverage of the world's markets on Tuesday with the introduction of shares prices on five Latin American bourses...

The Trib Latin American Index—compiled by Bloomberg Business News from the markets of Mexico, Chile, Argentina, Brazil and Venezuela—extends the Trib Index's scope to all continents of the world, except Africa.

Asia's New Pain (and Gain) Korea and Taiwan Gear Up for China

By Paul Blustein, Washington Post Service

PUSAN, South Korea—The worldwide cross-border competition for jobs struck home last month in this hub of the South Korean shoe industry, idling 3,500 workers at the Tae Gwang Rubber factory, which made Nike shoes.

Nearby stands another victim, the empty Kujie Corp. plant. Once the world's biggest shoe factory, the costs, showing how free trade can help speed economic development and raise living standards.

But a closer look offers a very different lesson about the effects of free trade. The South Korean and Taiwanese economies are being transformed to more advanced industrial bases, spurred in part by a surge in exports to China.

Akzo to Acquire Nobel, Forming Chemicals Titan

Compiled by Our Staff From Despatches

AMSTERDAM—Akzo NV, the Dutch maker of products ranging from airbag fibers to contraceptives, and Nobel Industrier AB, the Swedish company synonymous with dynamite and peace prizes, announced Monday they would combine forces to create one of the world's largest chemicals companies.

Under the terms of the takeover, Akzo will pay a total of 14 billion kroner (\$1.7 billion) for an 80 percent stake in Nobel. Some analysts said that Akzo was paying a high price for Nobel, which is only one-third its size, and that the deal, which would create the world's largest producer of paints and coatings, would entail considerable overlap in the two companies.

EC Cites U.S. 'Disinformation' on Trade

By Tom Buerkle, International Herald Tribune

BRUSSELS—The European Community, seeking to bridge its internal differences on trade and put the United States on the defensive, blasted Washington on Monday for stalling the global trade talks.

The EC trade commissioner, Sir Leon Brittan, dismissed American criticism of Europe's trade stance as a "disinformation campaign."

Thinking Ahead

U.S. Has Real Reasons to Pass NAFTA

By Reginald Dale, International Herald Tribune

WASHINGTON—If foreigners are against it, it must be good for the United States—so Americans should be for it. That anyone should seriously advance such a proposition is a depressing confirmation of the inward-looking state of America today.

Celltech Refuels Europe's Biotech Dream

By Erik Ipsen, International Herald Tribune

SLOUGH, England—At the ripe old age of 13, Celltech Group PLC, the British biotechnology company, has yet to sell its first invention, but hopes to have greater success with its first public share offering.

"It has taken them an awfully long time to get where they have gotten to," said Robin Gordon, an analyst with the brokerage Panmure Gordon.

The embarrassing thing for Celltech—and for the European biotech industry as a whole—is not only just how long it has taken but how little the industry has to show for its efforts and expenditures.

In the United States, biotech companies raised nearly \$4 billion in the early 1990s to fund research and development. Several of them now have products with sales of \$100 million or more a year.

In Europe, meanwhile, biotech concerns are still struggling to build momentum. Celltech's initial offering is expected to make it the largest biotech company in Europe by adding a mere £30 million (\$45 million) to a capital base estimated at about £160 million.

Currency & Interest Rates

Nov. 8

Table with 4 columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values

Top Executives Resign as Sculley Shapes Spectrum

Compiled by Our Staff From Despatches

NEW YORK—Spectrum Information Technologies Inc., the high-technology company that recently hired John Sculley, the former Apple Computer Inc. chief, as its chairman, said Monday that its founder and several other top executives had stepped down.

Dana Verill, who was replaced by Mr. Sculley, and John Rule, vice president of cultural marketing, both quit. Katherine Bachand, director of investor relations, resigned. Spectrum said the three left voluntarily.

Advertisement for CORUM watches, featuring an image of a watch and text: 'The Admiral's Cup—simply one of the most distinctive and elegant sports watches in the world. CORUM Maitres Artisans d'Horlogerie SUISSE'

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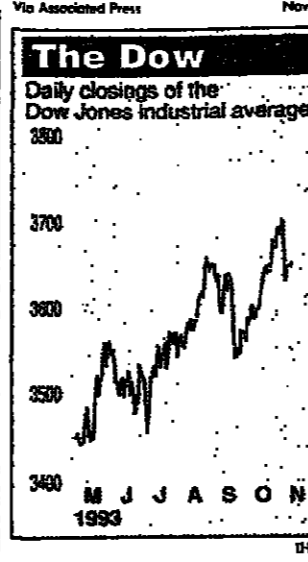
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MARKET DIARY

Share Prices Advance As Inflation Fears Slip

Compiled by Our Staff From Dispatches NEW YORK — U.S. stocks were broadly firmer on Monday as fears subsided that U.S. inflation was reheating or that the Federal Reserve Board would be lifting short-term rates any time soon.



INDEX: IHT Tracks Latin Stocks

Continued from Page 11 have less impact on the index than 10 shares from a major trading center like Frankfurt.

Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Rows include Industrials, Transp., Utilities, and NASDAQ.

Standard & Poor's Indexes

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NYSE Most Actives

Table listing top active stocks on the NYSE with columns: Ticker, Vol., High, Low, Last, Chg.

AMEX Most Actives

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NYSE Diary

Table listing key market events and news items.

AMEX Diary

Table listing key market events and news items for the AMEX.

NASDAQ Diary

Table listing key market events and news items for NASDAQ.

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Paramount in Bidding for Macmillan

NEW YORK (Bloomberg) — Paramount Communications Inc., the object of a takeover battle between QVC Network Inc. and Viacom Inc.

BankAmerica to Sell Property Loans

SAN FRANCISCO (Bloomberg) — BankAmerica Corp. said Monday it had agreed to sell \$340 million of nonperforming commercial real estate loans to Whitehall Street Real Estate Limited Partnership III.

Oil Industry Estimates Cleanup Costs

CHICAGO (Bloomberg) — The American oil industry may have to spend \$23 billion by the year 2000 to comply with environmental rules, a study by the American Petroleum Institute has found.

Lawsuit to Involve On-Line Services

NEW YORK (Reuters) — The National Writers Guild said Monday that it was preparing a lawsuit against some of the country's biggest newspapers and computer information services to determine if a writer should be paid when his or her story is read or reproduced from electronic services.

U.S. to Press Japan on Software Issue

WASHINGTON (Reuters) — The United States will inform Japan on Tuesday of its "grave concern" over possible moves in Tokyo to roll back copyright protection for computer software, a senior U.S. official said.

For the Record

- Walt Disney Co. is planning a major theme park in Virginia to compete with Kings Dominion, Paramount Communications Inc.'s park near Richmond, a published report said Monday.
Motrola Inc.'s Customer-Owned Paging Operation said that it and ServiceAlert, a Boulder, Colorado-based manufacturer, had introduced a system that would allow restaurant patrons to summon their servers by pressing a button built into a sugar, salt and pepper caddy. (UPI)

Weekend Box Office

- Los Angeles — Tim Burton's "The Nightmare Before Christmas" topped the U.S. box office again last weekend. Following are the Top 10 movie-makers based on Friday ticket sales and estimated sales for Saturday and Sunday.
1. "Nightmare Before Christmas" (Touchstone Pictures) 37.6 million
2. "Pleasant Planet" (New Line) 11.3 million
3. "The Goodbye Girl" (Warner) 10.2 million
4. "RoboCop 3" (Warner) 9.4 million
5. "Cool World" (Warner) 8.7 million
6. "The Beverly Hills Cop" (Warner) 8.2 million
7. "The Untouchables" (Warner) 8.1 million
8. "The Untouchables" (Warner) 8.1 million
9. "The Untouchables" (Warner) 8.1 million
10. "The Untouchables" (Warner) 8.1 million

Low-Inflation Scenario Depresses Dollar

Compiled by Our Staff From Dispatches NEW YORK — The dollar fell against most major currencies Monday on speculation up-coming reports on producer and consumer prices would show inflation remained tame last month.

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WORLD STOCK MARKETS

Table listing world stock markets for various cities including Amsterdam, Brussels, Frankfurt, London, Milan, and Paris.

WORLD STOCK MARKETS

Table listing world stock markets for various cities including Hong Kong, Singapore, Tokyo, and Zurich.

WORLD STOCK MARKETS

Table listing world stock markets for various cities including Toronto, Sydney, and Stockholm.

WORLD STOCK MARKETS

Table listing world stock markets for various cities including Sao Paulo, Singapore, Zurich, and London.

Arabic text at the bottom right of the page.

Work-Hour Cut Backed In France

Compiled by Our Staff From Dispatches
PARIS — Desperate to boost employment, conservative lawmakers on Monday narrowly endorsed an experiment with a 32-hour work week, a step that they had long opposed.

The Senate approved the measure on a vote of 149 to 135, with Socialists and Communists voting against it because the reduction in work hours would be accompanied by an 8 percent pay cut.

Support for a shorter work week has been growing as the conservative government of Prime Minister Edouard Balladur battles unemployment.

The experiment was endorsed by the Senate, or upper house, in an amendment to a government job bill. The Chamber of Deputies, or lower house, last month rejected a similar proposal, but the government said later that it could support such an experiment if it included a pay cut.

Under the Senate measure, participation in the 32-hour week would be voluntary, and companies that participated would be exempted from some payroll taxes, provided they used the savings to create new jobs.

Conservatives had long criticized moves to cut the work week, which was reduced to 39 hours from 40 after the Socialists came to power.

But the Balladur government, which came to power after crushing the Socialists in parliamentary elections in March, is being forced to look for new ways to fight joblessness while struggling with a 300 billion franc (\$50 billion) deficit. (AP, Reuters)

British Data Show Economy on Rise

Compiled by Our Staff From Dispatches
LONDON — Britain's Central Statistical Office issued reports Monday of a moderate rise in October producer prices and a strong rise in September consumer lending, signaling a strengthening economy with inflation under control.

The office said that output prices rose 4 percent in October from a year earlier, compared with 4.2 percent in September, while net lending to consumers rose to \$489 million (\$726 million) in September, the highest level in more than three years, from \$225 million in August. (AFX, Bloomberg)

Spoon-Feeding a Polish Venture Gerber Baby Foods Faces Hurdles in 'Dream Market'

By Jane Perlez
New York Times Service
RZESZOW, Poland — When Gerber, the American baby-food maker, bought a juice plant in this out-of-the-way town in southern Poland, it was considered a case study of how a company should venture into the untamed territory of Eastern Europe. The price was right, the local staff was happy and the market potential a sheer dream: Polish babies had never sampled the even consistency of specially processed food from a jar.

The \$25 million acquisition and investment in an untraded market is still a success, but nearly two years later, the hard part is just beginning.

Listen, for example, to Wanda Kujawa, a Polish mother of a 13-month-old boy: "I've never tried Gerber. My grandmother prepared my mother's baby food, who in turn prepared mine. I don't see why I should change a trusted recipe that's been used for generations."

Dr. Dorota Osinska, a pediatrician on the outskirts of Warsaw, "in the larger cities, most mothers are familiar with Gerber, but few can afford it. Even our hospital, which recommends Gerber, is forced to make its own baby food because it does not have the budget to spend 50 cents a serving."

Also, distributing the product from the plant over treacherous roads in rickety vans to cramped little stores is nothing like getting it to market in the United States.

"It's taken us a little longer to learn these things than we would have liked," Alfred A. Piergallini, chief executive of Gerber Products Co., said during a visit here.

Taking Gerber, based in Fremont, Michi-

gan, into international markets, particularly Eastern Europe, is Mr. Piergallini's answer to the company's growth problems caused by declining baby-food consumption and birth rates in the United States.

U.S. consumption of strained bananas, applesauce and the like this year is running at more than 600 little jars for each birth, down 27 percent from two decades ago. By contrast, consumption per birth in Poland is fewer than a dozen jars a year.

Gerber started producing 12 fruit and vegetable varieties here in March. It took a year

to get the huge metal steamers, washers, pressurized cookers and conveyor belts from the United States into a plant that had made fruit juices for children and small amounts of canned vegetables.

Many of the 1,085 Polish workers needed training in American standards of quality control. The first rule: no more smoking on the production line.

Safety is a primary issue in baby food preparation, and while the Polish factory had quality control, it was not systematized in a way that allowed codes on a jar label that identified the grower of the fruit or vegetable.

"This is one of the biggest achievements

we've been able to implement — Gerber's standards of traceability," said Wieslawa B. Szajdrowska, product development manager, as she held up a jar of apple-blueberry sauce with numbers typed on the label.

Many of the vegetables and fruits for Gerber's products come from small, nearby farms. The variety of carrots was found to be excellent; the local farmers had long ago been introduced to Dutch seeds. "Polish carrots look wonderful and are wonderful," Mr. Piergallini said.

Finding satisfactory chicken was more difficult. "We've had to work with the local poultry people to get them up to sanitary standards," Mr. Piergallini said. The first chicken products will be distributed in the next few months.

After tackling manufacturing problems, Gerber turned to distribution. "Hair-raising," Mr. Piergallini said. "This country reminds me a lot of the United States in the 1920s, when there were lots and lots of stores."

There also are few distribution companies or warehouses and computer systems are low-grade. For now, the company has set up a jury-rigged distribution system based on its own warehouses and trucks plus two Polish distribution outfits.

But a swift distribution system will not help much if Polish mothers do not like prepared baby food.

The company is starting with the medical community to try to ingrain the Gerber habit. It brought health experts together at a recent seminar to talk about infant-feeding practices around the world. The results of the seminar will be distributed among pediatricians.

A swift distribution system won't help if Polish mothers cannot be convinced to use prepared baby food.

AKZO: A Chemicals Titan Formed BIOTECH: Celltech Fuels Dream

Continued from Page 11
troubled Swedish bank Nordbanken AB. Securum, which will become the largest shareholder in the new company, was spun off from Nordbanken to manage the disposition of some 60 billion kronor in troubled loans and assets, including the Nobel stake.

The Swedish government, which helped Nobel return to profitability in the last two years by curbing itself of its stake for over a year, Securum said it expected that the sale of its Nobel shares would retrieve 5.4 billion kronor, including 629 million kronor in cash and the rest in shares, that the government had paid to bail out Nordbanken.

"Securum's participation in the suggested merger between Nobel Industrier and Akzo is a sign of our aggressive strategy to regain credit losses," said Lars Thunnell, a president of Securum and vice president

of Nobel. "The agreement is good for taxpayers, shareholders and the employees in Nobel."

Securum agreed to hold onto its 20 percent stake in Akzo Nobel for at least two years, Mr. Thunnell said. Akzo was "the perfect home" for the Swedish government stake in Nobel.

Analysts said the merger would probably spur other rationalization moves and acquisitions in the chemicals industry, which has been battered both by the recession and the increased cost of developing and market products.

"We will see continuing mergers which will reduce risk and improve margins," said Martin Evans, a chemicals analyst at Hoare Govett.

Analysts said they expected alliances as a result of privatization programs in France and Italy and from the wave of corporate reorganizations in Britain.

(Bloomberg, Reuters)

Continued from Page 11
grow that governments may no longer pay for every new treatment regardless of cost.

In Europe, where even a £30 million share issue like Celltech's in the midst of a bull market is seen as a tough sell, Mr. Felner's proudest accomplishment is husbanding the company's scarce cash.

To do so, he has entered into partnership arrangements with such drug giants as Bayer AG of Germany and American Cyanamid Co. In return for assistance on everything from research and development to costly clinical trials, Celltech has retained commercial rights to its products in selected markets.

The other key to cash conservation is the company's biologics division. It makes monoclonal antibodies under contract for a number of pharmaceutical companies.

Last year, Biologics' profit quadrupled to £2 million on sales of £14 million, which helped fund Celltech's ambitious R&D program.

Aided by that contribution, Celltech said Monday that the group narrowed its losses to £5.89 million in the year ended Sept. 30, after a shortfall of £7.46 million last year.

But Biologics' success points up a problem that has plagued the biotech industry not just in Europe but around the world: excessive early expectations. Once thought to be the hottest product of the future, demand for monoclonal antibodies lagged years behind expectations.

With demand picking up only now, after many manufacturers went out of business, Celltech's tenacity has at last paid off.

The resulting paucity of competition, Mr. Felner said, has enabled Celltech to "massively" raise its prices.

(Reuters, Bloomberg, AFX)

Retailers In Germany Near Link

Compiled by Our Staff From Dispatches
FRANKFURT — Karstadt AG could merge with the rival retailer Hertie Waren- & Kaufhaus GmbH by the end of this week, the companies indicated on Monday.

Heiko Philipp, a Karstadt spokesman, said the supervisory boards of the retailers would meet on Thursday to decide whether to join their department-store chains. Hertie said it would hold a news conference on Friday to announce "a change in its corporate status."

The Federal Cartel Office last week announced the companies were discussing a merger.

German press reports said Karstadt would swap its own stock to pay for Hertie. That could be done either by creating new shares, or if Commerzbank AG and Deutsche Bank AG sold their stakes of about 25 percent each.

Analysis said the Federal Cartel Office was unlikely to block the expected merger or impose onerous conditions after its approval of the Swiss-based Metro AG's 1992 takeover of Asko Deutsche Kaufhaus AG. Metro controls Kaufhof Holding AG, Karstadt's main rival.

Analysis said the likely result of a merger this week would be expanded domination of German retailing by Karstadt and Kaufhof. They see Karstadt retaining its lead in department stores, while Kaufhof, strong in discount and specialist stores, is expected to forge links with Herten AG, the fourth-largest German retailer. Hertie currently is third.

(Reuters, Bloomberg, AFX)

Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Frankfurt DAX	2100	2,010.81	2,012.56	-0.09
London FTSE 100 Index	2800	3,077.60	3,085.60	-0.26
Paris CAC 40	2200	1,533.12	1,558.02	-1.60
Amsterdam CBS Trend	135.70	136.40	136.40	-0.51
Brussels Stock Index	6,999.07	7,033.70	7,033.70	-0.49
Frankfurt DAX	2,010.81	2,012.56	2,012.56	-0.09
Frankfurt FAZ	779.83	780.94	780.94	-0.14
Helsinki HEX	1,533.12	1,558.02	1,558.02	-1.60
London Financial Times 30	3,225.20	3,231.90	3,231.90	-0.29
London FTSE 100	3,077.60	3,085.60	3,085.60	-0.26
Madrid General Index	299.29	301.04	301.04	-0.58
Milan MIB	1,228.00	1,225.00	1,225.00	+0.24
Paris CAC 40	2,084.79	2,081.01	2,081.01	+0.18
Stockholm Aftersvevorden	1,679.16	1,677.78	1,677.78	+0.08
Vienna Stock Index	455.43	453.21	453.21	+0.49
Zurich SBS	918.18	911.63	911.63	+0.72

Sources: Reuters, AFP
Incomparal Helsinki Tribune

Very briefly:

- ABB Asea Brown Boveri Ltd. said its robotics division had a deal with Renault SA, details of which would be announced Tuesday. A source said the venture would create a factory in France to make robotics systems for the automotive industry.
- ABB acquired Elektro-Praga, a wiring accessories company, from the Czech National Property Fund; the price was not disclosed. The unit will be called ABB Busch-Jaeger Elektro-Praga SRO.
- British Telecommunications PLC said a possible alliance among France Telecom, Deutsche Bundespost Telekom and American Telephone & Telegraph Co. would be monopolistic and "fly in the face" of European Community competition goals. Sources said the proposed alliance would include most activities outside voice services.
- Cofibel SA was ordered not to sell its 83 percent stake in Cofimes SA to Schneider SA of France until a Belgian court decides on a challenge by minority shareholders. The court said the offer, for 1,380 Belgian francs (\$38.23) a share, undervalued Cofimes by 18 percent and seemed to be "exclusively beneficial" to Schneider.
- Standard Chartered PLC will issue as much as £300 million (\$445.2 million) of preference shares and hopes to list its common stock in Hong Kong and Singapore, possibly in conjunction with an offering to investors.
- Yorkshire-Tyne Tees Television Holdings PLC said its chairman, Clive Leach, resigned. Last week, the company said its advertising sales for the year ended Sept. 30 were lower than expected and said it would report a loss for the year.
- Harris & Crossfield PLC plans to dispose of "the substantial part" of its Australian and New Zealand chemicals operations within six months.
- Deutsche Lufthansa AG, citing a cost-cutting program that led to 5,500 job losses over 15 months, said its third-quarter pretax income was 145 million Deutsche marks (\$85.4 million), reversing a 221 million DM loss a year earlier; its nine-month pretax loss narrowed to 76 million DM from 262 million DM.
- Daimler-Benz AG said its chairman, Edzard Reuter, would sign several cooperation agreements in China this month as he accompanies Chancellor Helmut Kohl on a visit from Nov. 14 to Nov. 22.
- Germany's M-3 money supply grew a revised, annualized 6.8 percent in September, slower than the 7.6 percent originally reported, the Bundesbank said. M-3 comprises cash plus checking and certain savings deposits. (Reuters, AFX, Bloomberg, AFP)

NASDAQ

NASDAQ prices in New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	P/E	52 High	52 Low	12 Month High	Low	Stock	Div	Yld	P/E	52 High	52 Low	12 Month High	Low	Stock	Div	Yld	P/E	52 High	52 Low
100	90	Alcoa	1.00	4.5	18	100	90	100	90	Alcoa	1.00	4.5	18	100	90	100	90	Alcoa	1.00	4.5	18	100	90
110	100	Amgen	0.50	3.5	25	110	100	110	100	Amgen	0.50	3.5	25	110	100	110	100	Amgen	0.50	3.5	25	110	100
120	110	Amgen	0.50	3.5	25	120	110	120	110	Amgen	0.50	3.5	25	120	110	120	110	Amgen	0.50	3.5	25	120	110
130	120	Amgen	0.50	3.5	25	130	120	130	120	Amgen	0.50	3.5	25	130	120	130	120	Amgen	0.50	3.5	25	130	120
140	130	Amgen	0.50	3.5	25	140	130	140	130	Amgen	0.50	3.5	25	140	130	140	130	Amgen	0.50	3.5	25	140	130
150	140	Amgen	0.50	3.5	25	150	140	150	140	Amgen	0.50	3.5	25	150	140	150	140	Amgen	0.50	3.5	25	150	140
160	150	Amgen	0.50	3.5	25	160	150	160	150	Amgen	0.50	3.5	25	160	150	160	150	Amgen	0.50	3.5	25	160	150
170	160	Amgen	0.50	3.5	25	170	160	170	160	Amgen	0.50	3.5	25	170	160	170	160	Amgen	0.50	3.5	25	170	160
180	170	Amgen	0.50	3.5	25	180	170	180	170	Amgen	0.50	3.5	25	180	170	180	170	Amgen	0.50	3.5	25	180	170
190	180	Amgen	0.50	3.5	25	190	180	190	180	Amgen	0.50	3.5	25	190	180	190	180	Amgen	0.50	3.5	25	190	180
200	190	Amgen	0.50	3.5	25	200	190	200	190	Amgen	0.50	3.5	25	200	190	200	190	Amgen	0.50	3.5	25	200	190
210	200	Amgen	0.50	3.5	25	210	200	210	200	Amgen	0.50	3.5	25	210	200	210	200	Amgen	0.50	3.5	25	210	200
220	210	Amgen	0.50	3.5	25	220	210	220	210	Amgen	0.50	3.5	25	220	210	220	210	Amgen	0.50	3.5	25	220	210
230	220	Amgen	0.50	3.5	25	230	220	230	220	Amgen	0.50	3.5	25	230	220	230	220	Amgen	0.50	3.5	25	230	220
240	230	Amgen	0.50	3.5	25	240	230	240	230	Amgen	0.50	3.5	25	240	230	240	230	Amgen	0.50	3.5	25	240	230
250	240	Amgen	0.50	3.5	25	250	240	250	240	Amgen	0.50	3.5	25	250	240	250	240	Amgen	0.50	3.5	25	250	240
260	250	Amgen	0.50	3.5	25	260	250	260	250	Amgen	0.50	3.5	25	260	250	260	250	Amgen	0.50	3.5	25	260	250
270	260	Amgen	0.50	3.5	25	270	260	270	260	Amgen	0.50	3.5	25	270	260	270	260	Amgen	0.50	3.5	25	270	260
280	270	Amgen	0.50	3.5	25	280	270	280	270	Amgen	0.50	3.5	25	280	270	280	270	Amgen	0.50	3.5	25	280	270
290	280	Amgen	0.50	3.5	25	290	280	290	280	Amgen	0.50	3.5	25	290	280	290	280	Amgen	0.50	3.5	25	290	280
300	290	Amgen	0.50	3.5	25	300	290	300	290	Amgen	0.50	3.5	25	300	290	300	290	Amgen	0.50	3.5	25	300	290
310	300	Amgen	0.50	3.5	25	310	300	310	300	Amgen	0.50	3.5	25	310	300	310	300	Amgen	0.50	3.5	25	310	300
320	310	Amgen	0.50	3.5	25	320	310	320	310	Amgen	0.50	3.5	25	320	310	320	310	Amgen	0.50	3.5	25	320	310
330	320	Amgen	0.50	3.5	25	330	320	330	320	Amgen	0.50	3.5	25	330	320	330	320	Amgen	0.50	3.5	25	330	320
340	330	Amgen	0.50	3.5	25	340	330	340	330	Amgen	0.50	3.5	25	340	330	340	330	Amgen	0.50	3.5	25	340	330
350	340	Amgen	0.50																				

Korea Acts To Attract Investors

Compiled by Our Staff From Dispatches
SEOUL—South Korea detailed a sweeping plan Monday to ease a broad range of restrictions on foreign investment and boost its exports in the face of stiffening competition in the world marketplace.

The measures, announced at a meeting here of top government officials, include a provision to allow foreigners investing in manufacturing to buy land without prior approval, starting next March.

They also ease the rules on foreign-exchange transactions and shorten from 30 days to 10 the amount of time needed to handle foreigners' applications to do business in South Korea.

John Wadde, an analyst with Barclays de Zoete Wedd securities, said the plan reflected the "government's move toward deregulation of the economy." But he added that the blueprint appeared to contain many elements announced earlier this year and that it left the private sector to take the lead.

Despite the overall easing of restrictions on land ownership, Finance Minister Hong Jae Hyong, said purchases by foreigners for residential purposes would be limited to about 600 square meters (7,100 square feet).

But he announced that foreigners investing in the high-tech sector would be allowed to raise all of their capital investment overseas and that tax rates for nonresident companies in which foreigners have a stake would be cut.

Restrictions on purchases of Japanese machinery, which are permitted only when foreign-invested companies make fresh investment or raise capital, also will be relaxed.

Imports of technology, other than those related to the defense and other advanced high-tech sectors, will no longer need to be reported to the government.

In a bid to boost export growth, Mr. Hong said his ministry would free 17 out of the 30 business sectors where South Korean companies are barred from overseas investment.

(Reuters, AFP)

Pirelli Ventures Into China

Compiled by Our Staff From Dispatches
MILAN—Pirelli SpA, the Italian tire and cable maker, said Monday it was making its first direct foray into the Chinese market by investing 170 billion lire (\$103 million) to set up two joint ventures.

One of the ventures, with an investment of 100 billion lire, will make radial tires at a factory in Beijing. Beijing Tire Factory will be a minority partner, with control left to Pirelli and Hutchinson China Trade Holdings, the Italian company's Hong Kong agent for the Chinese market.

The other venture, to be set up with Houma Cable Factory for 70 billion lire, will make and sell copper and fiber-optic cable at a plant in Houma, in central Shanxi Province.

Initial production capacity at the Beijing plant will be 1.4 million tires a year for cars and light trucks, with output aimed at the Chinese market and neighboring countries.

Pirelli said the Chinese tire market was likely to grow to 36 million in 2000, from 19 million in 1992. It added that radial tires' share of this market should grow from under 10 percent now to about 50 percent by 2000.

In the cable venture, Pirelli will become China's first foreign partner in this key sector. Pirelli

So Does 'Scratch-and-Win'

Agence France-Press
BEIJING—Internationale des Jeux, a French lottery company, said Monday that it had won a contract to supply China's first scratch-and-win lottery tickets and that it hoped to sell its Loto system here as well.

Internationale des Jeux is an offshoot of Française des Jeux, the state-owned company that has a monopoly over the sale of "scratch-and-win" lottery tickets in France and also runs Loto, a game in which the player picks numbers in a weekly drawing.

The Lottery Center for Social Welfare, an organization under the authority of the Chinese Social Welfare Ministry, set up a joint venture with Internationale des Jeux.

Internationale's deputy managing director, Yves Hénard, said the Chinese side would hold 43 percent of the venture, the French 37 percent, while 20 percent would be held by Beijing, a Malaysian group that specializes in gaming. The investment was put at 63 million francs (\$10.7 million).

Cavi SpA will hold about one-third of the share capital in the venture, with the option to become the majority shareholder and to acquire an interest later in another joint venture with Houma Cable for cable manufacturing in Tientsin. (Reuters, AFP)

Refinery Plan Halted by Japan And the Saudis

Compiled by Our Staff From Dispatches
TOKYO—A group of Japanese and Saudi Arabian companies agreed Monday to scrap a major oil-refinery joint venture, a result of Japan's recession and the stumping oil market.

The Japanese companies involved—Nippon Oil Co., Nikko Kyodo Co. and Arabian Oil Co.—cited depressed domestic demand and low oil prices as reasons for the cancellation, which they said had been agreed to by the state-owned Saudi Arabian Oil Co. as well.

The project, tentatively agreed to in 1991, also was to have included Caltec Petroleum Corp., a joint venture of Tesaco Inc. and Chevron Corp. of the United States, and aimed to refine as much as 450,000 barrels of Saudi crude oil a day.

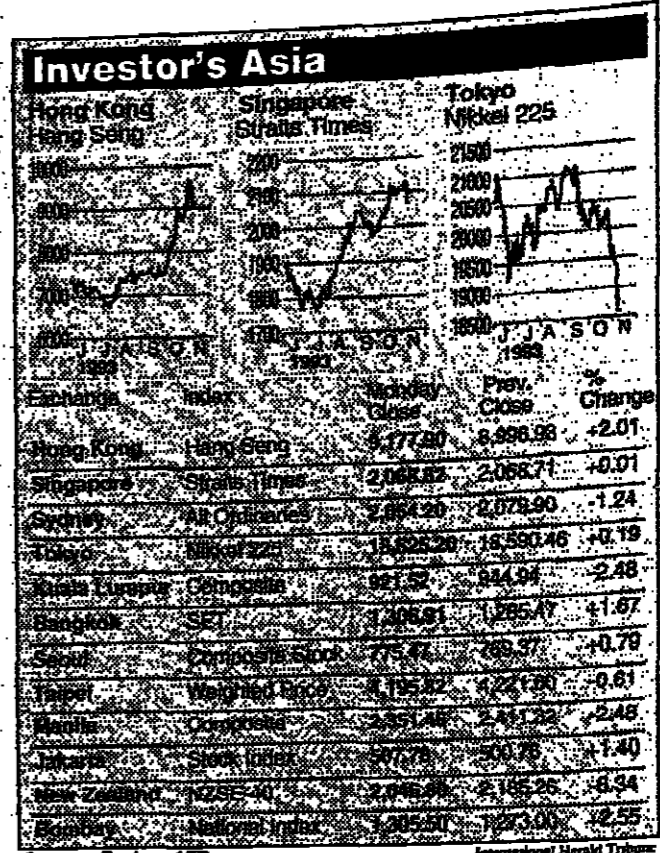
The managing director of Nippon Oil, Yasushi Ebihara, said Caltec agreed with the decision to cancel the project.

Mr. Ebihara said at a news conference that the immediate cause of the venture's failure was a difference of opinion: Nippon Oil had wanted to build the refineries as soon as possible, he said, while Nikko Kyodo wanted to postpone them.

Nikko Kyodo dissolved its U.S. subsidiary, Gould Inc., this year, incurring around 90 billion yen (\$630 million) of extraordinary losses as a result. But Nikko Kyodo's managing director, Akihiko Nomiya, denied that Nikko had broken up the consortium because it could no longer afford to be part of the project. He said the company had simply needed more time to decide whether the project was feasible.

Officials of Arabian Oil Co. made no comment at the news conference.

The accord was to have helped Saudi Arabia break into the lucrative Japanese oil refining and sales



ASIA: Dragons Lose Jobs to China, but Gain Market

Continued from Page 11
 China has soared, first to such Southeast Asian countries as Indonesia and more recently to China, as those nations developed huge garment-manufacturing industries. And with it, the work force at SunStar's factory has more than doubled in the past seven years, to 600.

While SunStar has lost sales at home because South Korean apparel makers are moving operations overseas, the company's overall market is bigger now. The region needs more sewing machines than ever, because as China and Indonesia develop their economies, more of their people can afford to buy more clothing.

SunStar is hardly alone among South Korean companies in profiting from this wellspring of growth. China has become South Korea's third-largest trading partner in the 20 months since Seoul and Beijing signed an agreement ending their Cold War freeze on relations.

The China market is the main factor behind the 6 percent gain in exports that Seoul has seen so far this year, which was led by autos (up 64 percent), steel (up 24 percent), machinery (up 24 percent) and electronic products (up 11 percent).

Taiwan has recorded similar export gains primarily as a result of demand from its political enemies on the Chinese mainland.

Despite this dynamism, the experience has not been painless for the South Koreans and Taiwanese who lost their jobs.

When the Tae Gwang Rubber factory in Pusan shut its doors last month, employees staged a demonstration and spray-painted the plant with such slogans as "Guarantee Our Livelihood!"

But even while bemoaning the lack of effort by government and management to halt the shoe industry's slide, Pusan union leaders acknowledge that their unemployed

Tokyo in Talks With Beijing On Car Market

Reuters
BEIJING—A delegation of Japan's top automakers opened talks Monday with China's State Planning Commission to try to secure a greater share of what could be one of the next century's biggest markets.

The members of the Japanese Automobile Manufacturers Association, led by its chairman, Yutaka Kume, chairman of Nissan Motor Co., opened four days of talks.

The auto-company officials are expected to ask Beijing to expand the number of foreign partners in China's auto industry beyond the current eight projects.

Mr. Ebihara said at a news conference that the immediate cause of the venture's failure was a difference of opinion: Nippon Oil had wanted to build the refineries as soon as possible, he said, while Nikko Kyodo wanted to postpone them.

Nikko Kyodo dissolved its U.S. subsidiary, Gould Inc., this year, incurring around 90 billion yen (\$630 million) of extraordinary losses as a result. But Nikko Kyodo's managing director, Akihiko Nomiya, denied that Nikko had broken up the consortium because it could no longer afford to be part of the project. He said the company had simply needed more time to decide whether the project was feasible.

Officials of Arabian Oil Co. made no comment at the news conference.

The accord was to have helped Saudi Arabia break into the lucrative Japanese oil refining and sales

Very briefly:

- Taiwan Aerospace Corp., which last week stepped back from a jet co-production agreement with British Aerospace PLC, disclosed a preliminary plan to cooperate with the American aerospace concern AlliedSignal Inc. in the satellite business.
 - Hong Kong's second-quarter gross domestic product was up 5.1 percent from a year earlier after inflation, according to preliminary government data. That followed year-on-year growth of 5.4 percent in the first quarter and compares with government forecasts of 5.5 percent for all of 1993.
 - International Bank of Asia Ltd., a subsidiary of Arab Banking Corp., made its debut on the Hong Kong stock exchange and closed 14 percent above its offering price.
 - Straits Steamship Land Co. of Singapore said its Straits Greenfield Development Pte. unit would sign an agreement with the Burmese government next week to build and manage a \$50 million, 450-room five-star hotel in Rangoon near the Schwedagon Pagoda.
 - Minolta Camera Co. posted a current loss of 1,054 billion yen (\$9.7 million) for the six months ended Sept. 30. It said further restructuring efforts and a recovery in camera sales in the second half should cut its full-year loss to about 1 billion yen.
 - China said advertising spending soared 66 percent in the first half, to 4.2 billion yuan (\$772.6 million). An official quoted by China Daily predicted the figure would reach 28 billion yuan a year by 2000.
 - Batam International Development Co. of Taiwan said it had resumed a \$200 million project to develop an industrial park on Indonesia's Batam island, ending a dispute with the Indonesian government.
- (Reuters, Bloomberg, AFP, AP)

AMEX Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not include trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Latest	Chg
120	115	AA	1.20	5.5	15	1.20	115	110	115	+5
125	120	AB	1.25	5.5	15	1.25	120	115	120	+5
130	125	AC	1.30	5.5	15	1.30	125	120	125	+5
135	130	AD	1.35	5.5	15	1.35	130	125	130	+5
140	135	AE	1.40	5.5	15	1.40	135	130	140	+5
145	140	AF	1.45	5.5	15	1.45	140	135	145	+5
150	145	AG	1.50	5.5	15	1.50	145	140	150	+5
155	150	AH	1.55	5.5	15	1.55	150	145	155	+5
160	155	AI	1.60	5.5	15	1.60	155	150	160	+5
165	160	AJ	1.65	5.5	15	1.65	160	155	165	+5
170	165	AK	1.70	5.5	15	1.70	165	160	170	+5
175	170	AL	1.75	5.5	15	1.75	170	165	175	+5
180	175	AM	1.80	5.5	15	1.80	175	170	180	+5
185	180	AN	1.85	5.5	15	1.85	180	175	185	+5
190	185	AO	1.90	5.5	15	1.90	185	180	190	+5
195	190	AP	1.95	5.5	15	1.95	190	185	195	+5
200	195	AQ	2.00	5.5	15	2.00	195	190	200	+5
205	200	AR	2.05	5.5	15	2.05	200	195	205	+5
210	205	AS	2.10	5.5	15	2.10	205	200	210	+5
215	210	AT	2.15	5.5	15	2.15	210	205	215	+5
220	215	AU	2.20	5.5	15	2.20	215	210	220	+5
225	220	AV	2.25	5.5	15	2.25	220	215	225	+5
230	225	AW	2.30	5.5	15	2.30	225	220	230	+5
235	230	AX	2.35	5.5	15	2.35	230	225	235	+5
240	235	AY	2.40	5.5	15	2.40	235	230	240	+5
245	240	AZ	2.45	5.5	15	2.45	240	235	245	+5
250	245	BA	2.50	5.5	15	2.50	245	240	250	+5
255	250	BB	2.55	5.5	15	2.55	250	245	255	+5
260	255	BC	2.60	5.5	15	2.60	255	250	260	+5
265	260	BD	2.65	5.5	15	2.65	260	255	265	+5
270	265	BE	2.70	5.5	15	2.70	265	260	270	+5
275	270	BF	2.75	5.5	15	2.75	270	265	275	+5
280	275	BG	2.80	5.5	15	2.80	275	270	280	+5
285	280	BH	2.85	5.5	15	2.85	280	275	285	+5
290	285	BI	2.90	5.5	15	2.90	285	280	290	+5
295	290	BJ	2.95	5.5	15	2.95	290	285	295	+5
300	295	BK	3.00	5.5	15	3.00	295	290	300	+5

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Latest	Chg
305	300	BL	3.05	5.5	15	3.05	300	295	305	+5
310	305	BM	3.10	5.5	15	3.10	305	300	310	+5
315	310	BN	3.15	5.5	15	3.15	310	305	315	+5
320	315	BO	3.20	5.5	15	3.20	315	310	320	+5
325	320	BP	3.25	5.5	15	3.25	320	315	325	+5
330	325	BQ	3.30	5.5	15	3.30	325	320	330	+5
335	330	BR	3.35	5.5	15	3.35	330	325	335	+5
340	335	BS	3.40	5.5	15	3.40	335	330	340	+5
345	340	BT	3.45	5.5	15	3.45	340	335	345	+5
350	345	BV	3.50	5.5	15	3.50	345	340	350	+5
355	350	BW	3.55	5.5	15	3.55	350	345	355	+5
360	355	BX	3.60	5.5	15	3.60	355	350	360	+5
365	360	BY	3.65	5.5	15	3.65	360	355	365	+5
370	365	BZ	3.70	5.5	15	3.70	365	360	370	+5
375	370	CA	3.75	5.5	15	3.75	370	365	375	+5
380	375	CB	3.80	5.5	15	3.80	375	370	380	+5
385	380	CC	3.85	5.5	15	3.85	380	375	385	+5
390	385	CD	3.90	5.5	15	3.90	385	380	390	+5
395	390	CE	3.95	5.5	15	3.95	390	385	395	+5
400	395	CF	4.00	5.5	15	4.00	395	390	400	+5
405	400	CG	4.05	5.5	15	4.05	400	395	405	+5
410	405	CH	4.10	5.5	15	4.10	405	400	410	+5
415	410	CI	4.15	5.5	15	4.15	410	405	415	+5
420	415	CJ	4.20	5.5	15	4.20	415	410	420	+5
425	420	CK	4.25	5.5	15	4.25	420	415	425	+5
430	425	CL	4.30	5.5	15	4.30	425	420	430	+5
435	430	CM	4.35	5.5	15	4.35	430	425	435	+5
440	435	CN	4.40	5.5	15	4.40	435	430	440	+5
445	440	CO	4.45	5.5	15	4.45	440	435	445	+5
450	445	CP	4.50	5.5	15	4.50	445	440	450	+5
455	450	CQ	4.55	5.5	15	4.55	450	445	455	+5
460	455	CR	4.60	5.5	15	4.60	455	450	460	+5
465	460	CS	4.65	5.5	15	4.65	460	455	465	+5
470	465	CT	4.70	5.5	15	4.70	465	460	470	+5
475	470	CU	4.75	5.5	15	4.75	470	465	475	+5
480	475	CV	4.80	5.5	15	4.80	475	470	480	+5
485	480	CW	4.85	5.5	15	4.85	480	475	485	+5
490	485	CX	4.90	5.5	15	4.90	485	480	490	+5
495	490	CY	4.95	5.5	15	4.95	490	485	495	+5
500	495	CZ	5.00	5.5	15	5.00	495	490	500	+5

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Latest	Chg
505	500	DA	5.05	5.5	15	5.05	500	495	505	+5
510	505	DB	5.10	5.5	15	5.10	505	500	510	+5
515	510	DC	5.15	5.5	15	5.15	510	505	515	+5
520	515	DD	5.20	5.5	15	5.20	515	510	520	+5
525	520	DE	5.25	5.5	15	5.25	520	515	525	+5
530	525	DF	5.30	5.5	15	5.30	525	520	530	+5
535	530	DG	5.35	5.5	15	5.35	530	525	535	+5
540	535	DH	5.40	5.5	15	5.40	535	530	540	+5
545	540	DI	5.45	5.5	15	5.45	540	535	545	+5
550	545	DJ	5.50	5.5	15	5.50	545	540	550	+5
555	550	DK	5.55	5.5	15	5.55	550	545	555	+5
560	555	DL	5.60	5.5	15	5.60	555	550	560	+5
565	560	DM	5.65	5.5	1					

Privatization in Europe

Labyrinth of Party Politics Holds Up Italian Progress But Now Some Dates Have Been Set

By Karina Robinson

LONDON — Calling Italy's privatization program a disaster may yet be premature; still, it has moved at a pace so slow that it beggars description. More than a year ago, the government stated its aim of raising 11 trillion lire from privatization in 1993. Up to now, it has managed to raise only around 437 billion lire.

But within the last two months Prime Minister Carlo Azeglio Ciampi has taken the step of setting dates for the privatization of two state-owned banks, Credito Italiano and Banca Commerciale Italiana (BCI), as well as suggesting that the financial services group IMI will also be privatized soon.

The reasons for the delay lie in the Byzantine corridors of Italian power. Each state-owned enterprise tends to be the fiefdom of one or another of the political parties, which are far from willing to give up sources of rich patronage. The combined might of Mr. Ciampi, a former central bank governor, and Romano Prodi, who has been an advocate of privatization since his last tenure as head of state holding company IRI in the 1980s, seems to finally be prevailing over party interests.

Two factors have been instrumental in forcing the government to take action. One is the success of French Prime Minister Edouard Balladur's privatization of Banque Nationale de Paris. It not only put the Italian efforts to shame in terms of speed, but the French government's plans to privatize two other banks means the competition for equity funds interested in investing in European banking stocks will be intense.

The second factor is economic, said Giuseppe Albanese, Italian analyst at Standard & Poor's MarketScope. "Government credibility is at stake if the public deficit target of 145 trillion lire [\$90 billion] for 1993 is surpassed. The latest indications show a deficit of 151 trillion lire, due to lower proceeds from privatizations — there were fewer of them, at lower prices than forecast — and lower than expected fiscal revenues due to the recession."

The economic climate is also to blame for the delay in privatizations. The government tried a trade sale of Credito Italiano but failed to find any takers, either foreign or domestic. As a result, it was forced to announce a flotation of its 67 percent stake in the bank, as well as the conversion of all savings shares into

ordinaries so as to simplify the operation. The road show and marketing will take place this month, and the price will be set in December. The same structure is envisaged for IRI's 57.4 percent stake in BCI, although this will not take place till next April. Italian gossip has it that merchant bank Mediobanca offered 5,100 lire per share for BCI to fulfill its aim of creating a northern Italian financial entity. Instead, the government will probably have to offer the shares to investors at a discount to net asset value of over 20 percent, which translates into a per share price of 4,800 lire, according to Antonio Tognoli, banking analyst at Milan brokers Intersim.

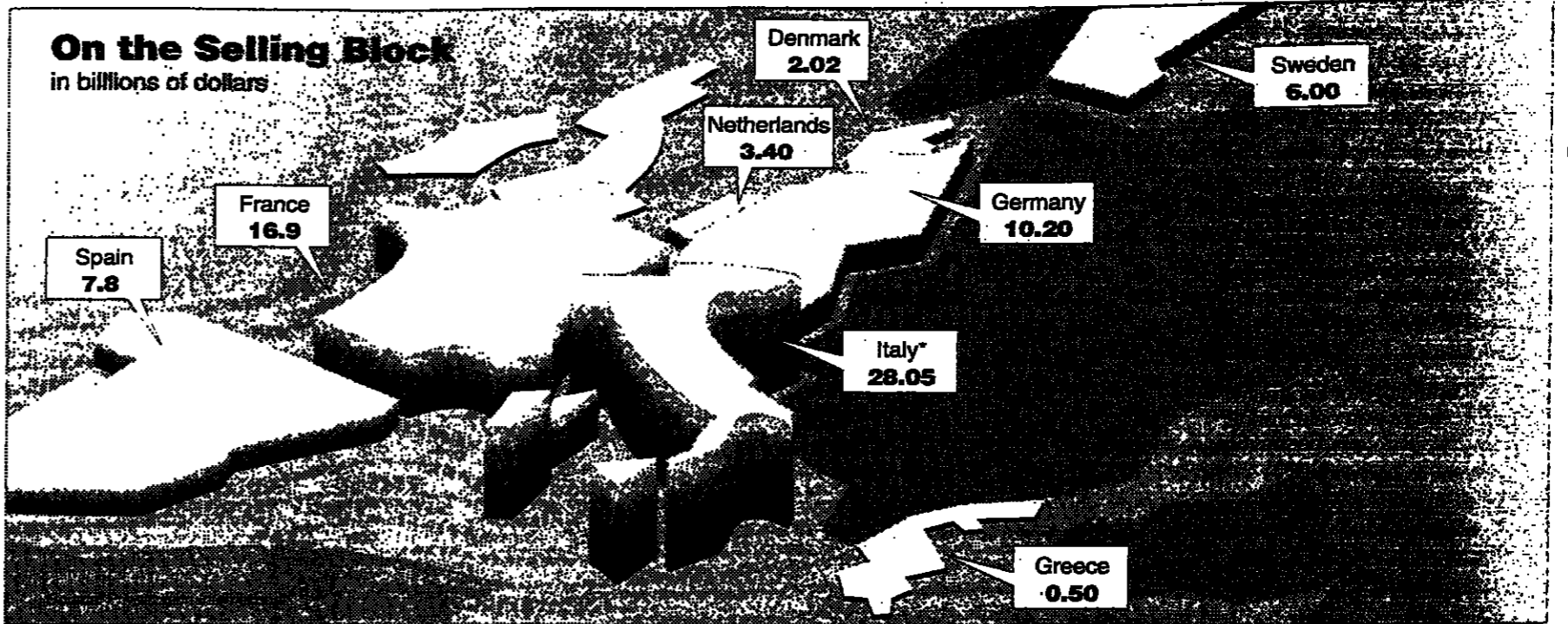
But, ironically, Mediobanca could well end up with control of BCI while paying less than it originally offered. This is despite the government decision that no single shareholder could have more than 3 percent of the banks. Mediobanca could achieve its rumored aim through a "shareholder pact," an old Italian institution that allows a group of shareholders, often with no more than a 2 percent stake each, to join together and achieve control with a minority stake of perhaps 30 percent. Other shareholders are too dispersed to act together and therefore end up as de facto minority shareholders without a say in how the company is run.

MEANWHILE, the political factor is still causing problems, with the recent resignation of Industry Minister Paola Savona, although later withdrawn, pinpointing the latest squabble. This involves an argument about whether privatizations should be done as simple public offers for sale in the British mold, or whether a *novus dar* of core shareholders should be put in place. Mr. Ciampi patched up the Savona crisis by stating that each privatization would be decided on a "case-by-case basis."

And there are certainly a large number of privatizations still to go. The Italian government's list of 19 is only slightly shorter than the French government's. It includes appetizing morsels such as the telecommunications group Stet, and energy company AGIP, as well as indigestible loss-makers like steel company Ilva.

This makes it all the more crucial that the Credito Italiano offer in December should be a roaring success. Working against it are the prob-

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Unemployment Slows Headlong Rush to Sell

By Conrad de Aenlle

PARIS — Autumn was to have been the start of the Great European Asset Sale. Governments had finally figured out that private owners do a better job of running businesses than they do. By selling off the PTTs, the airlines and the rest, they were going to ensure that these enterprises — and their entire economies — would run more smoothly; at the same time they would bring badly needed revenue into their treasuries. That, at least, was the theory. So far, it hasn't worked out that way.

There was one success: France, encouraged by the strong demand for shares of Banque Nationale de Paris, decided to get while the getting was good and immediately announced that Rhône-Poulenc would be put on the block next, followed by Elf Aquitaine. Then the Balladur government caved in to angry employees disrupting operations at Air France. The airline's sale to the public is in doubt and potential investors wonder what's in store for them should they take a chance on any other French industrial privatizations.

In Italy, meanwhile, endless bickering over

the best way to dispose of state enterprises is holding up their sale. There was no argument in Greece: Andreas Papandreu, the unapologetic Socialist returned to power as prime minister, canceled plans to sell a 30 percent stake in the phone company to a foreign buyer on his first morning at work, before any opponents could utter a dissenting opinion or even hang up their coats.

There is plenty of dissent in Britain, where authorities would love to let the loss-making British Rail loose on the private sector, only no one outside the government seems to have anything good to say about the plan.

Just a few months ago, there was hardly a discouraging word for the ambitious programs to sell off state enterprises "in rich countries, poor countries, capitalist countries, ex-communist countries, even in places that still claim to be communist," as an enthusiastic cover story in *The Economist* described them. It noted that \$69 billion of state assets had been sold worldwide in 1992, pushing the total since the mid-1980s past \$300 billion. "By any measure, a transfer of ownership on this scale is a global economic revolution," the article said.

True enough, only now it's not certain that the governments have as much fight in them as

had been supposed. Nor is it assured that most of the sales that had been announced will take place according to schedule, or at all. What's behind this severe case of seller's remorse?

Two things: politics and economics, with the first in heapier measures. Economic growth has stalled at close to zero for the last several years, and unemployment is in double digits across much of the Continent.

THE hesitation to sell in such an environment reflects a belief that privatization costs jobs, but Rodney Lord, editor of the newsletter *Privatization International*, finds that not to be the rule.

"It's not true that all privatized companies reduce employment," he said. "It is true that many of them do because they've been heavily overstaffed. When political imperatives are removed, the necessary slimming can take place. But in an economy where resources are allocated appropriately, employment is bound to benefit." In the long run, anyway. The trouble is elections often come up in the short run, and so sound economics gets shunted aside in favor of unsound politics.

"In some countries politics has reared its ugly head," said Roger Palmer, chief invest-

ment strategist at Kleinwort Benson Securities. "You've got short-term problems that are taking a long time to resolve."

In one sense, times are not hard enough, Mr. Palmer suggested. If European economies would slack further, it might force leaders to clean up the resolve to go on with their privatization programs at full speed.

"How did Argentina, of all places, manage to put its economy on the straight and narrow and the European countries haven't been able to?" he remarked. "Europe hasn't suffered enough pain for politicians to bite unpalatable bullets. They're still worried and electorates are still worried about what's happening right now to look ahead."

Eastern Europe is one place where leaders are easing back on their reforms, notes Richard Conquest, chief economist at the Daiwa Institute of Research. Privatization is proceeding, but not at the envisioned shock-therapy pace.

"The problem is so many companies are insolvent," he said. "We know about enterprise credits that in theory have been holding up the solvency of some enterprises. If they are reduced or eliminated by the central banks, then

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Partial Privatization of Electric Power Supply Companies in Hungary

Privatization of the electric power supply in Hungary, to be implemented in two phases, reached an important stage at the end of 1993. Even amid the existing conditions and well-known difficulties, the State Property Agency (SPA) managed to consistently realize targets it set some two years ago with the approval of the ministries involved. As a result, until noon, November 15, 1993, the SPA is inviting applications from strategic professional investors who undertake to purchase 15 percent of the SPA's share package in the subscribed capital of the six Hungarian electric power supply companies and, at the same time, obligate themselves to subscribe a share package corresponding to a minimum of 10 and a maximum of 15 percent of the subscribed capital during a raise of the subscribed capital to be effected later.

Antecedents include the SPA's development of a two-stage, concern-like joint-stock company system out of a part of the Hungarian Electric Works Trust and its member companies, which started functioning on January 1, 1992. The fundamental purpose of the transformation is partly to update the ownership, management and organization structure of the Hungarian electric power industry and partly to create conditions for the implementation of gradual privatization in order to draw the necessary capital for the development of the electric power industry.

The special situation of the branch, its tasks and role resulted in the creation of a peculiar organizational and ownership structure. The upper level of the concern is represented by the Hungarian Electric Works Rt. (MVM Rt.), and the sub-share company level consists of 15 companies (eight power works, six network current suppliers and one basic network). On the basis of various bilateral contracts, MVM Rt. is responsible for system management tasks related to members of the integrated organization of the second level.

A typical system of ownership relations has evolved: the State Holding Company (AV Rt.) owns 99.8 percent of the shares of the MVM Rt. (AV Rt.'s task is to manage property retained in long-standing state ownership.) In companies on the sub-share company level, MVM Rt. owns 38-50 percent of the shares, the SPA has 38-49 percent, and local governments have a maximum eight percent holding in each company. Also, mines attached to power works have 12-17 percent shares each in the three power works companies.

Because the task of the SPA is the utilization of property in temporary state ownership, it has developed the two-stage privatization schedule of its ownership share in the electric power supply companies by applying efficient privatization methods. The first step is partial privatization, including the utilization for compensation purposes of a share package corresponding to 10 percent of the subscribed capital, the setting aside of a share package corresponding to 15 percent of the subscribed capital to be offered for

social security authorities, and the sale of a share package corresponding to 15 percent of the subscribed capital. For the latter, the SPA invited an open, single-round tender, whose submission deadline is noon, November 15, 1993.

The second stage is full privatization, whose principles, including the sales method of the remaining "free" shares, are to be defined later according to the results of utilization for compensation purposes, the attitude of social security authorities and the experiences of sales.

It should be mentioned that the SPA transformed the registered shares of three network current supplying companies in December 1992. Thus the shares of the North Hungarian Electric Power Supply Company (EMASZ) became primary shares, and those of the South Hungarian Electric Power Supply Company (DEMASZ) and the North Transdanubian Electric Power Supply Company (EDASZ) changed to interest-bearing shares.

The preparatory work for decision-making related to the SPA's ownership share and the subsequent implementation of the resolutions have been realized in accordance with the Organizational and Operation Statutes of the SPA and with the opinions of the branch ministries involved. To achieve the goals of the privatization of Hungarian electric power supply set some two years ago, the State Property Agency has invited an open, single-round tender for the selection of privatization consultants. As a result of the tender, five consulting companies are extending their expert assistance to the electric power supplying companies. In addition, the SPA has its own privatization consultant, the Allen and Overy company of Britain.

Professional investors have been invited to participate in the tender for the partial privatization of network electric power supply companies. In addition to the purchase of the 15-percent share package, investors must simultaneously obligate themselves to subscribe a 10-15 percent amount of shares during the subscribed capital raise of the company in 1994. This system of invitation (anticipating and requiring the application of strategic professional investors who, in the longer term, expect a fruitful presence and who, depending on the magnitude of capital subscription, may have a substantial share) is in compliance with the characteristics and conditions of the electric power industry. Appropriately, strategic investors take into account a period of 10-20 years and do not attempt to ensure an immediate dividend.

According to plans, cost-proportionate prices must be set until 1996, as the present price level does not ensure the expected capital returns and does not cover emerging real costs.

Raising the subscribed capital is aimed at creating conditions for profitable results, contributing to the implementation of the principal targets of privatization of the whole electric power industry. These targets are the following: a substantial capital is required

for the renewal and development of the electric power industry and its adaptation to European norms of environmental protection, which can be ensured in the medium term only by external investment. It is also a condition for the long-term viability of the branch. The application of developed technologies and increasing the efficiency of electric power production, forwarding and supply are also imperative for renewing the branch. Privatization promotes the establishment of market conditions and the application of management and know-how. Implementing privatization with the help of strategic professional investors may promote Hungary's fast linking up to the Western European electric power system (UCPTE).

The schedule of the privatization transaction is rather tight. The invitation for the open, single-round tender was published in Hungarian newspapers on October 8, 1993, and applications must be sent to the SPA by noon, November 15, 1993. Tenders will be opened on the same day, and the Board of Directors of the SPA plans to decide on the winners at its session at the beginning of December. If everything goes as planned, the purchase and sale contract with the selected strategic professional investor can be concluded by December 15, 1993.

Completing the privatization transaction this year ensures the raising of the subscribed capital of the companies in 1994, thus improving their liquidity position, ensuring the financial resources for necessary development projects and creating favorable conditions for future financial investors.

Overcoming certain difficulties is unavoidable for the successful privatization of the electric power industry. Public utility services, including the electric power industry, are functioning in Hungary mostly as natural monopolies. Consequently, the introduction of related legal regulations is also needed. The amendment of Act IV of 1962 has not fully met this expectation. A fundamental aim of the new draft law on electric power supply, recently submitted by the Hungarian government to Parliament for urgent discussion, is to fulfill these requirements.

At present, the price level of electric power is pressed and does not ensure sufficient capital returns. Neither does it fully cover actual costs. Also, the presently applied tariff structure carries the possibility of further distortions. The achievement of a cost-proportionate price structure is possible only in a few years' time. It is expected that reconciliation talks going on between the Hungarian government and the World Bank will fruitfully and favorably promote the realization of these tasks.

Finally, it should be pointed out again that, in view of today's targets, the privatization of the electric power system will take place in two stages. The long-term privatization strategy of the electric power branch will be set up parallel with the sale of the share package.

Károly Csabai

Privatization in Europe / A Special Report

Czechs Endorse A Revolution Second Wave of Offerings Will Liquidate State Control

By Philip Crawford

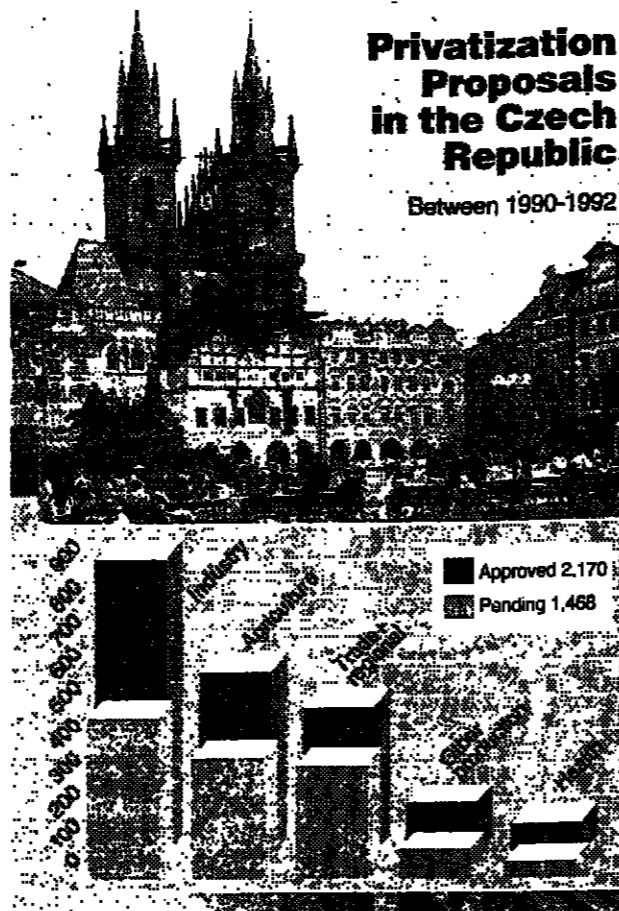
PRAGUE — Despite the difficulties of a fragile infrastructure overburdened by the weight of rapid, fundamental change, the Czech Republic is poised for the completion of its goal to privatize all sectors of its formerly state-controlled economy.

As the so-called "large-scale privatization" program enters its second wave this fall, the shares of roughly 1,000 newly privatized companies are already trading on the fledgling Prague Stock Exchange, and about 400 investment funds have been launched.

that was ready to embrace the concepts of private business and holding shares, and an economy situated in the heart of post-Cold War Europe with such huge potential that corporate giants from the United States and Western Europe have fallen over each other to attain a foothold.

The roots of Czech privatization go back to 1990 when, for the first time in 41 years, a democratically elected, pro-free market government came to power in Czechoslovakia under President Vaclav Havel. Shortly thereafter, an overall design for the privatization process was developed that included four basic components: the restitution to owners or their descendants of land and commercial properties nationalized between 1948 and 1959; the return of similar properties to municipalities; a "small-scale privatization" program that involved auctioning off more than 21,000 small businesses such as retail stores and restaurants to private owners; and the "large-scale privatization" of larger companies using the voucher system, whose conception has been credited to Prime Minister Vaclav Klaus.

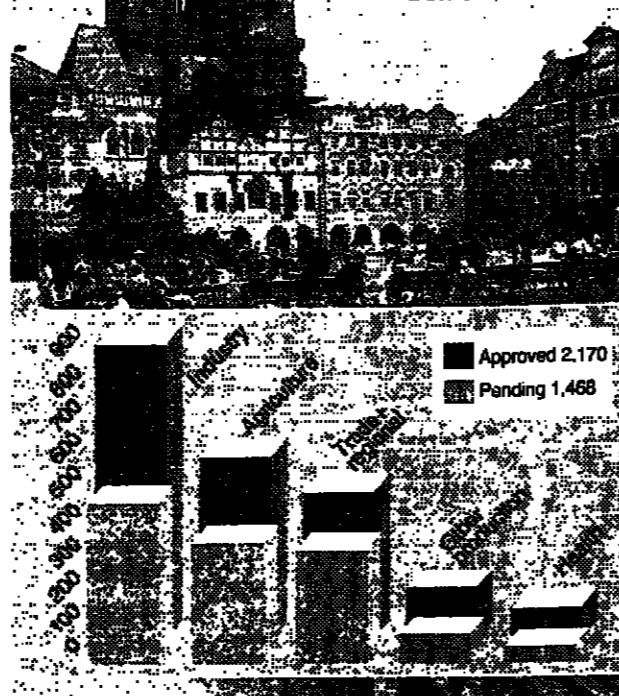
IN the voucher system, citizens pay a nominal fee of 1,035 koruny (\$34), just enough to cover administrative costs, for a booklet of investment coupons that can be exchanged for shares of newly privatized companies or of funds investing in those companies. The booklets for the second wave of privatizations went on sale in Czech post offices on Sept. 29, and interest is reported to be as enthusiastic as in the first round, when more than 8 million Czech and Slovak citizens signed up for shares in properties worth over 650 billion koruny.



Source: Ministry of Privatization of the Czech Republic

Privatization Proposals in the Czech Republic

Between 1990-1992



say some analysts, since the government allowed many competing proposals to be submitted for the same business. The healthy competition may have resulted in leaner, more efficient ideas being put forth and ultimately approved.

"Each proposal had to include a very detailed business plan, so you got several perspectives on how the company could be run," said Michael Gold of USAID, an American advisory group to the Ministry of Privatization in Prague. "Also, the proposals didn't have to be for the whole company, but only for a part of it. Market-driven competition and restructuring were kind of built into the process."

Of the 1,000 or so companies available on the Prague exchange, which is open for trading only on Tuesdays, about 200 are active every session. Of those, perhaps five companies have emerged as the bluest of the blue chips: CEZ, the electric utility, banking concerns Ceska Sportelina and Komerční Banka, chocolate maker Kokoladovny, and tobacco concern Tabak. About 10 of the 400 Czech investment funds dominate the market.

Analysts in Prague say that a foreign retail investor would have to come to the Czech capital and

PHILIP CRAWFORD writes about finance and economics from Paris.

Germans Turned to Foreign Deal-Makers Treuhand Cites Lack of Local Experience in Great Sell-Off

By Miriam Widman

BERLIN — The Treuhandanstalt, Germany's privatization agency, awarded its biggest and most lucrative deals to non-German mergers-and-acquisitions specialists, but German banks and consulting companies are not complaining much and industry experts say the massive sell-off of East German companies has helped the fledgling German M&A industry.

The Goldman Sachs, Morgan Stanley and S. G. Warburg of the world were awarded the giant contracts for two simple reasons, according to Karl-Hermann Klöttschen, director of investor services at the Treuhand: They have better contacts abroad than German M&A companies and more experience in the business.

"It was a conscious step to get foreign investors," he said. Additionally, the agency wanted to ensure that no potential conflict of interest popped up. "A foreign company doesn't have to take any local clients into consideration," he said.

Credibility, experts say, is the key. While there have been complaints from within the German Federal Cartel Office that the Treuhand's sell-offs have favored West German companies, the agency defends its record. Mr. Klöttschen notes that 10 percent of the 180 billion Deutsche marks (\$106 billion) in promised investment comes from foreign firms, which he says is quite good.

Investment advisers say convincing foreign investors that they have the same chance as a West German is crucial.

"You need a lot of credibility to ask an American firm to take over a heavy loss-making company in the East," said Paul Achleitner, co-director of investment banking for German-speaking countries for Goldman

Sachs. "You need a reputation that bids aren't being used to shop around to raise the price for the Germans."

The relative lack of experience of German firms in the M&A sector hurt them as well. Simply put, the corporate culture here does not allow for raiders and white knights.

Benedikt von Schroder, an executive director at Morgan Stanley in charge of corporate finances for Germany, put it bluntly: "Investment bankers don't grow on trees in Germany. It's very tough to find people."

But German firms have not come up empty-handed and non-German firms say they have seen increases in the quantity and quality of German merger specialists.

The East German privatization process has given many mid-sized German merger firms valuable experience in deal making, industry experts say. Mr. Schroder points to the "boutique" firms, which have focused on medium-sized deals. While non-German firms got the deals involving companies with 10,000 or more workers, German consulting groups were often awarded mandates to sell off firms with up to 2,000 workers.

For the most part, the German big banks are not complaining about the Treuhand's handling of its privatization process. A spokesman for Deutsche Bank said the firm did not think it had been treated unfairly, and besides, since the company bought London-based Morgan

Grenfell, it has an M&A expertise. The Dresdner Bank was unable to produce something for comment on the subject, but a privatization expert at Commerzbank did feel that German institutions were given a bum deal.

"We were treated badly," he said. While acknowledging that foreign firms are important in the M&A area, he rejected the Treuhand's argument that German banks are not experienced enough internationally to handle a major privatization.

"The Treuhand was a little bit blind that they only focused on Anglo-American firms," he said, adding that Commerzbank has extensive contacts through its partner banks in Western Europe.

Others feel that they are unfairly looked down on by non-German firms. Frankfurt Consult, the consulting and M&A arm of the BHF Bank in Frankfurt, has been in the business for more than 10 years. A spokesman said the bank handled some Treuhand privatizations, but was not dependent on the East German sell-off for added experience.

Still, outside experts say the German market has a ways to go to meet the international standards. German experts focus more on consulting than deal making. Mr. von Schroder said, and the market is more of a "do-it-yourself market," where banks and consulting groups do not play that big a role. But he noted that 20 years ago, consulting was not big in Germany, and now it is.

"If you ask me the deals [German firms work on] small, the answer is yes," said Mr. Achleitner. "Do guys like us get the big deals? Yes. Do I see it changing? Yes. The German banks will start to improve their track record and will become big competitors."

MIRIAM WIDMAN is a journalist based in Berlin.

Italian Labyrinth Holds Up Progress

Continued from page 16

lems currently affecting the Italian banking sector. Nicholas Krasno, a senior analyst at U. S. rating agency Moody's Investors Service, said, "Italian banks have a very serious asset quality problem. The recession has bitten deep. Banks tend to lag the cycle in showing losses, particularly as loan recognition of bad losses is difficult to ascertain and is probably more of a problem than they recognize. Their individual limit for each borrower is much higher than in banks outside Italy."

The effects of the recession will result in the banks increasing their provisions for bad loans, which will affect their profits for the next two years. But investors have probably already discounted this. The success of the Credito Italiano offer, therefore, will to a large extent depend on another issue: the flow of funds.

On the domestic front, Italian households that have depended on income from treasury bonds are facing yearly interest rates of around 7 percent, when they were used to double-digit figures. As a result, mutual funds have seen record intakes in a search for higher yields. Although so far this movement has been into bond funds, mixed bond/equity and pure equity have also benefited. Mr. Albanese of Standard & Poor's thinks Italians are also keeping some liquidity as they plan to invest in privatization issues such as Credito.

On the foreign front, many international investors are bullish on the Italian stock market. They also believe that non-governmental management of the bank will lead to cost savings and increased efficiency.

KARINA ROBINSON is a London-based journalist who reports on politics and economics in Spain and Italy.



Prime Minister Carlo Ciampi

Paris: The 200-Billion-Franc Question

By Martin Baker

PARIS — The French Economics Ministry is currently deliberating over the next step in bringing another large and successful state-owned corporation into private ownership. The flotation, as yet unannounced, of chemist giant Rhône-Poulenc on the Paris Bourse will mark the second in a series of 21 privatizations that France's center-right government announced shortly after its election this March. The stated objective of Prime Minister Edouard Balladur's administration is to raise around 200 billion francs, making the program one of the biggest ever seen.

Yet, despite the size of the task, both domestic and international observers regard the privatization program as being more realistic than ambitious — that is, of course, provided the world's markets remain buoyant.

The advice that Finance Minister Edouard Balladur is now taking comes from a specially formed commission of leading industrialists, financiers and civil servants. They are reporting on how and to whom the minister should allocate the shares that will form the "core" shareholding in Rhône-Poulenc. The concept of the core shareholding is expected to be common to all the privatizations. It is designed to provide an element of managerial and industrial stability, and to ensure that the newly privatized companies do not immediately fall prey to hostile takeover bids.

Rhône-Poulenc already has core shareholders. They are, in descending order of importance: Credit Lyonnais, AGF, Société Générale and Banque Nationale de Paris (BNP), which was itself successfully sold into the private sector in September. Core shareholders have to sign an agreement to hold a large percentage of their shares for specified periods of time. They must also agree to purchase at least 1 percent of the company. Among those believed to be seeking a core shareholding is the Italian motor conglomerate Fiat.

Aside from the core shareholding, the company's employees will be offered shares, as will French and international investors. And, of course, there will be a public offering to individuals in France. "The question the markets are asking is: 'When will it all happen?'"

"We are ready to go," the prospectus is written, and has been used in the road shows around France," said a Rhône-Poulenc spokesman. "All we need is the price. It makes sense for it to happen before Christmas."

ever. "I would expect it all to occur some time in the second half of next January," said one Paris-based banker, who added that this was the original timetable for the sale of the company.

If that is so, there may be a happy coincidence between plan-

ning and the market cycle. While BNP was sold into a raging bull market, the Paris Bourse has been in decline since the latter half of October.

The Bourse can fall 7, maybe even 10 percent, and it's still not a problem: it's a short-term phenomenon that is far from worry-

ing," said Bruno le Chevallier, French market strategist at Parisian broker, James Capel SA.

Mr. le Chevallier is confident that, short of a market catastrophe, the government will achieve its 200 billion franc (\$34 billion) objective. There are three arguments underpinning his reasoning: success of the "Balladur bond" (an interest-paying fiscal sweetener to entice retail money away from money market accounts), the Plan d'Épargne Actionnaire, and keen interest from foreign institutions lead Mr. le Chevallier to conclude that the French government "has almost achieved its goal already."

Brothers, concurs: "I'd say the French market is definitely good for 200 billion francs in the next two years. Some people argue it's overvalued when you look at the ratio of share prices to earnings, but not us. We compare the yields from French shares with bonds, and see the market has value. There's plenty of strength to absorb the privatizations."

Michel Haski, Paris-based deputy chairman of Framlington Unit Management, a mutual fund subsidiary of French bank CCF, sees another type of financial logic in the program: "We have a relatively small percentage of our industry quoted on the Bourse compared to

Marc Landeau, president of Olympia Capital Management, a Paris-based specialist fund management group, agrees that the government will achieve its political objective of selling the companies for its stated price: "Whatever needs to be done to get them

the Anglo-Saxon countries. It makes sense to bring these companies to the market.

But will that logic appeal to the, notoriously risk-averse French individual investor? Alain Galte, director with responsibility for French equities at Société Générale Equities and Derivatives in Paris, argues that the BNP flotation was "a huge success, partly due to the bank's ability to use its network to market its own shares. Rhône-Poulenc doesn't have such a capability."

Little has been said as to when other companies in the program will come to the market. Banks such as Crédit Lyonnais clearly have to put something attractive in their balance sheets before coming under the hammer. And the industrial troubles and large losses suffered by Air France recently make it a candidate for a later rather than an earlier sale.

In addition to the vagaries of the market, and industrial difficulties, observers see the French government's ability to sell the idea of share ownership to its electorate as vital to the overall success of the program. Again, the problem the government must address is the perennial one of conservative investing habits. Can the privatization program bring about change?

"The government did a good job promoting the liquidity and transparency of its bond market," said Mr. Holtham. "If it can do a similar job of promoting the benefits of privatizing some of its companies, the issues will go well. As for changes in mentality, I just don't know."

Mr. Haski, however, believes the beginning of a major change in investment behavior is occurring: "For the past two-and-a-half years in the United States, and the past year in the United Kingdom, we have seen a huge rush to equity fund investment. That's partly because of low interest rates. And partly for that reason in France we have seen investors over the past two to three months come flocking into the mutual fund market."

Mr. le Chevallier at James Capel is more skeptical. While he sees that privatization "will bring a better equilibrium to investors' portfolios, it's not true to say that there's a new generation of investors out there waiting to play the stock markets like individuals do in Anglo-Saxon countries. These things change very slowly."

For the moment, the consensus view is that, whether there is any change in long-term investing habits or not, the program will sell to French consumers. That impetus, plus the undoubted interest from international institutions, should see the government with 200 billion francs in its coffers by 1995.

MARTIN BAKER is editor of the International Herald Tribune's Money Report.



Rhône-Poulenc says, "We are ready to go."

AGF GROUP - 1st HALF 1993. NET EARNINGS: FF 1,411 MILLION. PREMIUM INCOME: FF 32.6 BILLION. Includes insurance operations statistics and AGF assurances logo.

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Privatization in Europe / A Special Report

Tories Keep British Rail On Track for Big Switch

Timetable Contains Political Risk

By Robert Bailey

LONDON — The British government's move to sell off British Rail to the private sector is thought by some to be bold and imaginative; by others it is seen as muddled-headed and doomed to failure. For an administration with ebbing public support and a small majority, it is a high-risk political strategy.

Releasing the railroads from public control has wider implications since it represents the beginning of the end of a long campaign by the Conservative Party to roll back the state's involvement in the British economy. As such, it is a watershed.

Gas, water, electricity, steel, telecommunications, airports, the national airline, ferry services and now railroads have all been returned to the private arena. What is left of Britain's coal industry is also due to part company with the state during the present government's tenure.

The ideological undercurrent has never been far from the surface in the debate over the 117-page bill ending state control of British Rail, which completed its passage through Parliament on Nov. 4.

Completion of the bill marks a new era for Britain's railroads, which have been owned and operated by the state since 1948. The business to be passed to private control is huge. About 130,000 people are employed directly by BR with another 50,000 jobs estimated to be dependent on BR operations. The network operates 16,000 trains a day carrying 2 million passengers. BR also carries 130 million tons of freight a year.

According to the government, the objectives of rail privatization are to improve the quality of services. The time has come, it says, "to harness the management skills, entrepreneurial flair, ideas and capital of the private sector, in order to provide a better railway system."

Transport Minister John MacGregor has pointed out the limitations of BR's present structure: "The existing culture is not the best starting point for taking our railways

into the 21st century. It is about keeping the trains running rather than the market-oriented thrust of identifying what the customer wants and then being flexible enough to deliver."

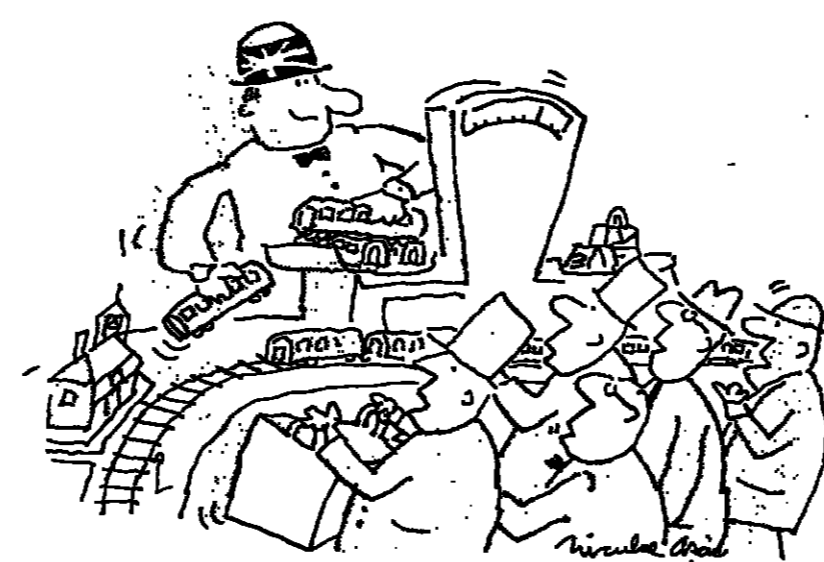
The BR chairman, Sir Bob Reid, in a speech in March, echoed some of this sentiment when he said: "In far too many areas of the railway operation we still have in place thoroughly outdated working patterns that are simply not geared to the needs of a live and busy railway at the end of the 20th century. They involve us in grossly excessive amounts of overtime, too many hours at work that are spent unproductively, more working of anti-social hours than is necessary, and less safety for many of those involved."

However, different groups have expressed apprehension over the prospect of change. The Union of Rail, Maritime, and Transport Workers estimates that more than 50,000 BR jobs could go. Consumer groups are fearful that services will be chopped and fares increased. An opposition Labor peer, Lord Clinton-Davis, has said: "We believe the bill represents useless baggage of Tory ideology, which, frankly, should be consigned to the lost property office of decomposing ideas, never to be heard of again."

LABOR'S spokesman on transport in the House of Commons, Brian Wilson, has stated: "It is inescapable that rail privatization equals soaring fares and fewer services and that it casts a long shadow over the very existence of many routes."

Many observers across the political spectrum agree that rail privatization is likely to take much longer to implement than envisaged by the government.

Ownership of track, stations, and infrastructure is to be transferred to a new government-owned company called Railtrack, which will eventually itself be privatized. The new organization is expected to be vested in April next year. It will manage signaling and the track, and charge for access to this.



Nicholas Adams-THT

Railtrack will be able to apply for capital grants for new investment programs but will meet costs from franchise revenues and not receive any government subsidy.

BR's rolling stock is to be transferred to three companies, which will lease this to franchisees and, until these are appointed, to BR's operating divisions.

Railroad stations are to be managed by the private sector. All of BR's present passenger services are to be franchised progressively over the next few years. There will also be opportunities for private sector operators to run entirely new services with rights to open access to track.

Starting in 1994, 26 BR-owned "shadow" franchises and train companies will operate passenger services until they are taken over by the private sector under franchise. The shadow franchise involves BR setting up the operation as a defined management and financial operation with services such as London Victoria to Gatwick Airport, paying for its overhead and producing a working set of accounts as if it were a fully independent company.

There may be up to 40 franchise operators but it is expected that this will take 10 years or more to come about. Those seeking a franchise must obtain an operator's license from the regulator, who must approve every access agreement between Railtrack and operators.

Franchisees are to be awarded to those

operators who can meet specified service requirements for the highest premium or least subsidy. In return, they will have the right to operate particular train services for up to 10 or even 15 years.

As the private sector measures its options, wider concerns have been expressed over the rail system's future funding arrangements. There is little doubt that if the integrity of the present network is to be maintained then very large expenditure is going to be needed.

Much of the system's equipment is 30 years old or more. Some of BR's infrastructure dates back to the first half of the 19th century. It is estimated that simply to maintain the existing network requires investment of about £850 million (\$1.275 billion) a year.

Sir Bob Reid has warned that if private-sector leaders cannot pick up the challenge, they should say so clearly, "so that we do not waste time pursuing pipe dreams."

The public has yet to be persuaded that the government has acted wisely with regard to BR. Major-General Lennox Napier, chairman of the Central Transport Consultative Committee, which acts as the rail users' watchdog body, has said: "Passengers are being taken on a journey into the unknown. It remains to be seen whether the destination is one where they may want to go."

ROBERT BAILEY is a journalist based in London.

Getting the Message to Market

Admen Shift Strategy to Lure Shareholders

By Jacques Neher

PARIS — Six years ago, French film star Catherine Deneuve was employed in a TV commercial to show her countenance in buying shares of Compagnie de Suez, the financial holding company the government was privatizing.

This month, Rhône-Poulenc SA, the chemicals and pharmaceuticals giant, is running newspaper ads for its upcoming privatization featuring a pair of shapely legs dressed in silky transparent pantyhose.

The headline on the ad declares, "When Rhône-Poulenc beautifies women's legs, it's good for men, it's good for stockholders."

And when France privatizes its state-owned groups, one might add, it's good for the Paris advertising industry. The current 21-company privatization program, launched this fall with Banque Nationale de Paris, is expected to pump 1 billion francs (\$170 million) into agencies and media, a welcome lifeline to sustain the industry through the economic slump.

That is more than double the 400 million francs invested in advertising in the last privatization program of 1986-88, and a recognition of the importance of advertising in the government's effort to distribute shares in state assets to the greatest number of individuals.

Campaigns for the most important privatizations are expected to run between 30 million and 70 million francs, with the company and the government sharing the costs.

The kinds of messages conveyed to sell stock to French households differ according to the company, its activities and its image in the marketplace.

For BNP, ad agency BDDP hired noted director Jean-Paul Goude to push the theme, "Let's grow together." The campaign,

combined with a very attractive offer price, mailings to the bank's 4.5 million customers, and a point-of-sale program at 2,000 BNP branches, produced 2.8 million stockholders, a predictable success. "It was a marketing steamroller," said one Paris fund manager.

Indeed, some professionals say that the novelty of the program, the high consumer awareness of the first companies to be sold and the low offering share price, makes advertising more an "insurance" than a principal tool in the marketing process.

The role of advertising will be much more important after the first two or three privatizations, said Maurice Lévy, chairman of Publicis: "The issues will become basal and the companies will be less glamorous. Then it will be the task of advertising to sell the shares."

Even if it's insurance now, the agencies are leaving no room for overoptimism.

In Rhône-Poulenc's case, the company and its ad agency, Euro-RSCG, faced the problem that people still did not know much about Rhône-Poulenc other than it was a big chemical company.

"Our image was rather good, but since we didn't have any consumer product, and we weren't present on the street like BNP, people didn't really know what we make," said Nicole Martin, the company's advertising director.

As a result, Euro-RSCG proposed a campaign aimed at informing the market about the company's various activities.

For example, while the legs ad in the seven-ad series plays to sex appeal, long a main feature in French advertising, the copy is less than titillating. It goes on to explain how the company has become Europe's leading producer of polyamide thread used in stockings and pantyhose, and tells how its various threads and fibers are also used in airbags, heat-resistant

clothing for firemen and outfits for athletes.

Indeed, the shift to the concrete in advertising for privatizations in France reflects a shift in the marketplace, say advertising professionals. Since the stock market crash of October 1987, which occurred just at the moment Miss Deneuve was asking viewers to "think about" Suez, the French have become better informed and wiser about where they place their savings.

"Things have changed," said Ms. Martin. "The type of campaign used in 1986-87 would not work now. People want less spectacle and more concreteness. The Catherine Deneuve approach is *dépassé*."

MOST of the money earmarked for privatization advertising will be invested in television and regional and national newspapers, media that can respond quickly to a governmental decision to begin a sell-off.

Pre-marketing advertising, of the sort Rhône-Poulenc is now running in France, typically lasts for two or three weeks, while the actual stock subscription period, in which the shares carry the government's offer price, lasts only a week at the most.

The advertising bonanza has sharpened the wits of Paris ad agencies, who now are given no guarantees they will win the privatization accounts, even if they already serve as agency for the company about to be sold. For example, the government's privatization committee picked BDDP to do BNP's sell-off, even though Euro-RSCG was the bank's agency of record.

JACQUES NEHER is on the staff of the International Herald Tribune.

Sink or Swim for Dutch Float

By Philip Crawford

PARIS — It will be the largest privatization of a European telecommunications company since British Telecom sold its first shares to investors nearly 10 years ago. The big question is: Will it work?

Ever since the Dutch government announced in March that it would sell a majority stake in state telecommunications monopoly Koninklijke PTT Nederland NV, known as KPN, investment community wires have been humming with speculation over how the shares will be received in the crucial domestic market. Nowhere has the interest been more intense, outside of The Hague and Amsterdam, than in Paris and Frankfurt, since the success or failure of the KPN offering could be a harbinger of what lies in store for France Telecom and Deutsche Telekom, also slated to go public.

With the floating of KPN shares expected during the first half of 1994, the talk has turned to how the Dutch government plans to stir market interest at home, where the concept of holding shares is still somewhat foreign, and to how KPN as a company might measure up against the likes of British Telecom (BT) as the European Community heads toward unregulated cross-border competition in the telecom sector by Jan. 1, 1998.

Most securities analysts appear optimistic on how the KPN offering will be received — by international as well as domestic investors — and on the company's financial, operational, and managerial strength. Many past precedents, moreover, are encouraging: Shares of British Telecom, Telekom Malaysia, and Hong Kong Telecom, for example, all performed well in the first few months following privatization. Officials at KPN are no doubt watching Singapore as well, where the initial float of Singapore Telecommunications Ltd. just 10 days ago was massively oversubscribed.

But no one in the Netherlands is celebrating just yet.

"There's lots of interest in the offering so far, but most of it has been from institutional investors," said Roel Goossens, who follows the Dutch market for the brokerage James Capel & Co. in Amsterdam. "Interest by private investors will have to be created, by brochures, publicity campaigns and that sort of thing."

While a fair amount of the nuts and bolts of the privatization has yet to be determined, some final decisions have been made. Roughly a third of the company will be offered in the first tranche, with the second float set for 1997. The lead underwriter will be Dutch banking giant ABN AMRO Holding NV, with Internationale Nederlanden Groep NV and Rabobank Nederland BA, two other premier Dutch banks, also playing significant roles. Foreign underwriters have yet to be chosen.

The most crucial decisions yet to be made, of course, are the ones that could make or break the deal: exactly how many shares will be offered, and, most importantly, at what price. "Engineering a price that the market can be comfortable with will be a challenge," said Douglas Wright, European telecom analyst at Crédit Suisse First Boston in London. "But there are lots of reasons to feel positive about demand for the shares. Holland is coming out of recession, the Dutch guilder is a hard currency, and KPN is a well-managed company. The shares should be attractive to international investors, and I expect considerable domestic interest as well."

Other analysts say that for the float to be successful, at least half of the shares must be bought by Dutch investors, and half of those by retail as opposed to institutional buyers. Current estimates place the total market value of KPN at about 21.5 billion guilders (\$11.3 billion).

The last major privatization of a state-owned firm in the Netherlands took place in 1989, when chemical giant DSM NV was brought to the market in two tranches priced at 108 and 125 guilders. The fact that DSM is now trading in the 103-guilder range could be a burden for the Dutch government in generating local interest in KPN shares.

Unemployment Slows Rush

Continued from page 16

bankruptcy on a huge scale will surely follow. That's something the new democracies are worried about. There's no point in exposing fragile enterprises to the full weight of competitive pressures when for half a century they've existed in an unreal world."

That attitude pervades French thinking, as well. "There's still a feeling that the state wants to keep some kind of control at arm's length and not release these companies Anglo-Saxon fashion to the mercies of the market," observed Mr. Lord of Privatization International.

Such a philosophy, displayed vividly in the government's promise not to go through with its plan to lay off several thousand Air France workers in its restructuring of the sickly carrier, is not the sort of thing that cheers potential shareholders.

That's one issue Mr. Lord said is complicating the privatization process, "whether companies should be prepared for privatization while in the state sector, or whether they should be sold or all the restructuring after they've been sold." He said, "There is a case for doing it now, so the taxpayer won't feel cheated, but it may be difficult for the French government to accept large-scale layoffs."

Another decision that must be made before a company is offered to the public is whether to sell it whole or in pieces. Some state firms are so huge that if they are sold in one chunk, potential rivals may be afraid to come forth and challenge the monoliths, stifling the hoped-for competition that was one of the main reasons to sell the assets in the first place.

Britain's Monopolies and Merg-

ers Commission recommended that British Gas, which was privatized as a single company in 1986, should be broken into several pieces. This would end its monopoly on the supply of gas to domestic users.

"It's easier to sell one big company," Richard Davidson, European equity strategist at Morgan Stanley, pointed out. But easier is not always better. "Several lessons can be learned all over Europe from the U. K. privatization program. In the case of utilities, you have to have a clear regulatory environment or a clear competition policy."

CRITICS find both of these lacking with British Rail, which the Conservative government still hopes to divest. Mr. Conquest of Daiwa calls the handling of the rail privatization "a major political mistake" because too little attention is being paid to the needs of passengers, who often vote Tory.

"If past experience means anything, prices to consumers will rise substantially," he said. "Those consumers live in a belt around London and other Conservative cities. This seems one privatization too far."

Deciding who the buyers will be is keeping privatization from getting very far in Italy. One alternative is the French way, issuing shares to a group of core holders who can provide stability and managerial guidance but are also likely to be the same corporate giants that have kept Italian industry from developing the vitality it would have in a truly free economy. The second is the British way, selling to small investors; but this would dump a lot of stock onto a very thin equity market.

"Successive Italian governments have been talking about pri-

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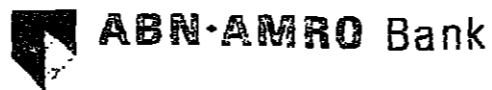
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for over 150 years. What's more, our associates know that they can rely on us as business partners not only in good times, but also when the going gets tough.

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Discovering Different Longways James Price

NYSE Monday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect bid-ask spreads. Via The Associated Press (Continued)

Table with columns: 12 Month High, Low, Last, Change, etc. for various stocks.

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ADVERTISMENT INTERNATIONAL FUNDS Nov. 8, 1993

Main table listing various international funds with columns for fund name, share price, and other details. Includes sub-sections like 'INTERNATIONAL INCOME FUND', 'GLOBAL EQUITY PORTFOLIO', etc.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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SPORTS

Holyfield Wants Bowe III, Duva Says It's Lewis

By Gerald Eskenazi New York Times Service LAS VEGAS — Rock Newman always said, "I'm burning my bridges behind me."

to meet Lewis, the No.1-ranked challenger. According to Duva, the four best heavyweights in the world are Holyfield, Bowe, Lewis and Mikeal Moore.

"There will be no Bowe-Holyfield III," Duva said. "There will be no Bowe-Holyfield IV either."

"It's 50-50 I'll retire," he said, his eyes covered with dark glasses. "But if I do come back, I want a rematch with Riddick Bowe."

Lillehammer Posts 'No Smoking' Sign OSLO — Organizers of the 1994 Winter Olympics pledged Monday to give smokers a hard time at the Games, even discouraging spectators from lighting up outdoors.



James Miller being taken by police from a hospital in Las Vegas after landing at ringside in the seventh round of the title fight.

The Charge: 'Dangerous Flying'

By William Gildea Washington Post Service LAS VEGAS — The man who crashed a motorized parasail into the Caesars Palace outdoor stadium, disrupting the heavyweight championship fight between Riddick Bowe and Evander Holyfield, has been charged by police with a misdemeanor: "dangerous flying."

X-rays came up negative. He was immediately taken to the Clark County Detention Center, where he was booked, then released. The \$200 bond is the standard sum for misdemeanors.

going to talk to and what he's going to do. Any offers or proposals you've got, just stick it on the fax and it will be reviewed. The TVKO telecast of the fight, with pictures from a blimp above the outdoor arena, showed that Miller made several passes, using the motorized propeller, before he finally came sweeping down into the ring's ropes.

paragliding are actually parachutes. Paragliders deploy a wing rectangular in shape; parasailors use a round-shaped wing. It is a sport that has been popular in Europe but is only catching on in the United States. Bowe's pregnant wife, Judy, fainted in the commotion and was taken to University Medical Center Hospital after being tended to by the Rev. Jesse Jackson, who himself was brushed by the glider's ropes as it swooped in.

Wife Commits Suicide as the Tragedies Continue for Ex-Champ Chivalo

TORONTO — There seems to be no end to the grief endured by George Chivalo's family. The former Canadian heavyweight champion's 30-year-old son, George Jr., died of a heroin overdose last week.

A haggard-looking Chivalo said he was devastated. "I loved her like crazy," he told CBC-TV. "She was cracker-jack smart, she had a great heart, she was the best grandmother in the world."

Chivalo and his wife both came from lower-middle class families in Toronto. They married when she was just 15 and he was 18. By 16, she had given birth to a son, Mitchell, the first of five children born in seven years.

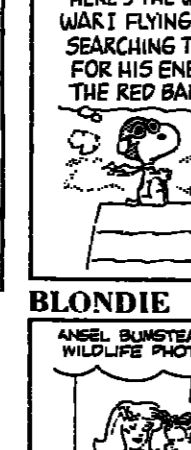
who took 10 punches to land one and Lynne hated to watch her husband fight. But she said she couldn't stay at home when he was in the ring. In 1970, he blamed her for his loss to George Foreman when she ran to the edge of the ring, screaming for the referee to stop the fight as he absorbed a beating.

He retired in 1979 and the family often struggled after that, said a family friend, Mort Greenberg. He said he spoke to Lynne Chivalo before her death and that she was worried about losing their heavily mortgaged home, "the one prize that was left."

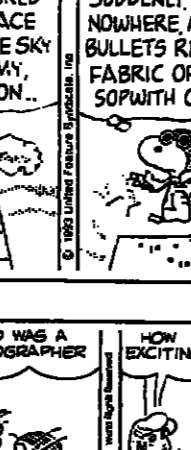
DENNIS THE MENACE



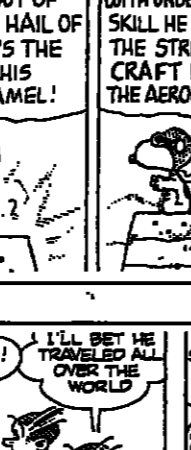
PEANUTS



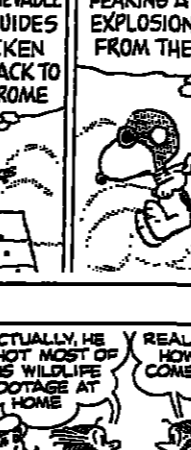
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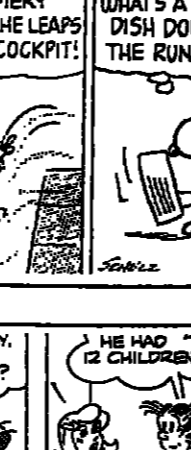
BEETLE BAILEY



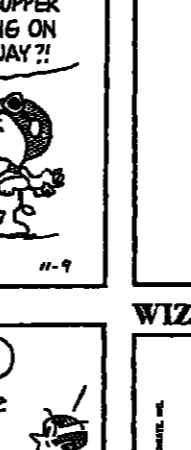
DOONESBURY



WIZARD of ID



REX MORGAN



GARFIELD



Advertisement for Jumble crossword puzzle. Includes a grid, word list (HITEL, GOFOR, KEBTUC, ORIMMEY), and contact information for readers in Switzerland.

Advertisement for a Swiss watch. Features a large image of a watch and text in both English and Arabic: 'سونا من الأصل' (Sunan from the original).

A collection of comic strip panels including Dennis the Menace, Peanuts, Blondie, Beetle Bailey, Doonesbury, Wizard of Id, Rex Morgan, and Garfield.

Large vertical advertisement on the right edge of the page, possibly for a newspaper or magazine subscription, with some text and graphics.

SPORTS

A Mad, Mad World Of Hitting the Wall

By Michael Janofsky
NEW YORK — Let's get this much straight. They are only tears of joy at the finish line because the madness is over.

While a vast majority of runners who plan to start the 24th New York City Marathon next Sunday might regard finishing 26.2 miles (42.16 kilometers) as the ultimate athletic experience, the race will not pass for many of them without the pain of achievement.

I had been warned about the wall, but I told people I was going to run over it, under it or around it. But I ran into it, all right.

ing down their nerves in anticipation. More experienced marathoners are more apt at fighting off negative thoughts, but it doesn't necessarily eliminate the inevitable.

In those days, the medical community was less sophisticated about how to prevent wall effects, which happen, essentially, because of the loss of glycogen, the energy-producing byproduct of carbohydrates — in short, fuel for the muscles.

But the pain and feelings of discomfort are relative. Some runners can plow through it all: many can't. They either stop, walk, trot, then pick up the pace when and if that becomes possible.

matter what the strategy, proper training and eating habits in the days leading to the race can raise the odds against an unpleasant experience. In general, experts recommend reducing the mileage the final week and increasing the intake of carbohydrates like breads and pasta.

Trouble is, in a race of such distance, a runner cannot always be prepared for the unexpected, like extreme weather conditions or nervousness. Also, runners must guard against feelings of euphoria or invincibility early in the race.

A critical factor for any runner to bear in mind, said Jay T. Kearney, a senior sports physiologist for the U.S. Olympic Committee, is knowing what performance training has made possible.

The closer you come to pushing your time, the sooner you will suffer the consequences of cumulative fatigue," Kearney said. "As you stay below it, it will be easier to work through any discomfort with less complications."

Skinner, whose best time is 2 hours, 40 minutes, says he never runs against other runners, only himself, which is difficult enough when he hits the wall. "It's quite an experience," he said. "But the key is, don't take the pain seriously. Let it go through you."

More than a few runners next Sunday will understand. "They look like they're drunk or in a daze," said Sam Skinner, a 51-year-old veteran of a dozen marathons who lives in Brooklyn and delivers ice for a living.



Don Shula had a question for the Dolphins' quarterback, Scott Mitchell, during the loss to the Jets, and it wasn't: How's your folks?

Knicks Get A Message, And Like It

The Associated Press
The Cleveland Cavaliers wanted to send the New York Knicks an early season message. It turned out to be the wrong one, though.

Starks, who had missed nine of his previous 10 shots, sank a 3-pointer from the left side that tied it at 103 with 1.7 seconds left in regulation.

Brad Daugherty had 26 points and 11 rebounds. Danny Ferry matched his career high with 21 points and Mark Price scored 19 for Cleveland.

Net's 9, Spurs 73: Derrick Coleman scored 29 points and Kenny Anderson 19 as New Jersey won in San Antonio by holding the Spurs to their lowest offensive output in franchise history.



Dennis Rodman couldn't stop Derrick Coleman, but the Nets put the brakes on the Spurs, who got only 73 points for the game.

is second victory in 23 tries in San Antonio. Nets 132, Kings 110: Kevin Johnson scored 32 points and had 14 assists while Charles Barkley added 26 points as Phoenix held off visiting Sacramento.

under the basket, outrebounding the Kings by 55-38. Rockets 106, Trail Blazers 92: Hakeem Olajuwon scored 29 points, 12 in the fourth quarter, to power visiting Houston past Portland, and handing the cold-shooting Trail Blazers an 0-2 start for the first time since 1986.

Daly Barred From Tour Indefinitely

The Associated Press
KAPALUA, Hawaii — John Daly's latest disqualification has left his future on the PGA Tour in doubt.

Daly picked up his ball on the 11th green after missing a birdie putt following three double-bogeyes. Daly went through a rehabilitation program this year in the wake of his publicized drinking problems.

On one hand we're not going to permit him to play, but on the other hand we are going to support him. He can be a very positive force for golf. It's a difficult time for him."

Jets Make Shula Wait for Place In Record Book

By Leonard Shapiro
WASHINGTON Post Service
EAST RUTHERFORD, N.J. — There would be no drenching from a water bucket, no waves to the crowd for Don Shula. His coronation as king of all National Football League coaches had been postponed for at least a week by the New York Jets.

With quarterback Boomer Esiason throwing for three touchdowns and the defense doing a number on quarterback Scott Mitchell, the Jets posted a 27-10 victory over the disappointed Miami Dolphins, who had come to the Meadowlands to win Shula his 325th game.

It was a big motivation for us," Esiason said. "We didn't want to become the team that broke the record against us. We didn't want any asterisk next to this game."

Court Balks At Arrests in Luge Assault

The Associated Press
MEININGEN, Germany — A suspect in the neo-Nazi attack on members of the U.S. luge team has been arrested, but a court has rejected arrest warrants for two others, a prosecutor said Monday.

Der Spiegel magazine said the arrest of a 21-year-old suspect over the weekend. Prosecutors had protested the court's earlier conditional release of the youth, Mockel said.

He said the prosecutor's office was appealing the court's refusal to order the arrests of two other suspects.

SCOREBOARD

FOOTBALL

NFL Standings table with columns for Conference, Team, W, L, T, Pct, PF, PA.

NATIONAL CONFERENCE

National Conference Standings table with columns for Team, W, L, T, Pct, PF, PA.

AMERICAN CONFERENCE

American Conference Standings table with columns for Team, W, L, T, Pct, PF, PA.

Canadian League

Canadian League Standings table with columns for Team, W, L, T, Pct, PF, PA.

BASKETBALL

NBA Standings

NBA Standings table with columns for Conference, Team, W, L, T, Pct, GB.

The AP Top 25

The AP Top 25 table with columns for Rank, Team, W, L, Pct, Conf. W, Conf. L.

HOCKEY

NHL Standings

NHL Standings table with columns for Conference, Team, W, L, T, Pct, GF, GA.

SUNDAY'S RESULTS

Sunday's Results table with columns for Game, Score, Location.

BASEBALL

NATIONAL LEAGUE

National League Standings table with columns for Team, W, L, T, Pct, GF, GA.

AMERICAN LEAGUE

American League Standings table with columns for Team, W, L, T, Pct, GF, GA.

BASEBALL

NATIONAL LEAGUE

National League Standings table with columns for Team, W, L, T, Pct, GF, GA.

AMERICAN LEAGUE

American League Standings table with columns for Team, W, L, T, Pct, GF, GA.

INTERNATIONAL FRIENDLY

International Friendly Standings table with columns for Team, W, L, T, Pct, GF, GA.

ART BUCHWALD

Health Care Scrimmage

WASHINGTON — It is no longer a question of whether the Washington Redskins will go to the Super Bowl or not, but whether they will have enough health benefits to carry them through the rest of the season.

The Redskins have sustained so many injuries this year that their medical insurance has run out, and unless the Clinton health bill is passed very soon the team will be playing with no protection at all.



Buchwald

With rising costs, the private health insurance companies have reduced benefits for Redskins football players while raising their rates. Under the new rules you can have only one hamstring injury in a lifetime.

You may stay in a hospital room for only two hours with a broken leg. Groin and collarbone injuries will no longer be paid for unless they were committed on the line of scrimmage.

The Clinton administration is worried about the lack of protection for Redskins players and insists that Congress has to deal with it.

One of Hillary Clinton's spokespeople said, "The American insurance industry couldn't care less whether the Redskins are covered or not. They don't hesitate to collect their premiums, but let the player have the wind knocked out of him and they will invariably find a reason why he can't be treated."

Under Clinton's plan each football player would carry a plastic health card in his shoulder pad.

Dividing Menotti's Duties

WASHINGTON — The Spoleto Festival USA has decided to deal with the departure of its founder Gian Carlo Menotti by not replacing him. Instead, the board split up responsibilities for the annual Charleston, South Carolina, event. It named Spiros Argyris, 45, director and principal conductor of symphonic and operatic activities. The board retained the chamber music and choral directors, Charles Wadsworth and Joseph Flummerfelt.

Turning France's Cultural Supertanker

By John Rockwell New York Times Service

PARIS — Any Gaullist successor to the dapper and charismatic Jack Lang would have had an image problem. Jacques Toubon, who got Lang's job as minister of culture after the Gaullist sweep in the March elections, is a balding, round-faced, 52-year-old croupier's son from Nice.

Still, despite the unstoppable momentum of many of the Socialist initiatives, particularly the major Paris building projects known as the Grands Travaux, Toubon is trying hard to make his mark after seven months on the job. Partly through the sheer visibility and patronage his job entails and partly through the attention inevitably paid him during the current debate on the General Agreement on Tariffs and Trade, or GATT, he seems to be establishing himself.

Bustling into his Palais Royal offices for a breakfast meeting recently, Toubon did not yet inhabit these gilded and mirrored quarters with the seigneurial panache of his predecessor. He argues that there is more that is similar than dissimilar between the cultural policies of the left and the right. And that any striking shifts in French cultural policy will become evident only a few years hence.

"It is difficult to say what is different about our policy after only seven months," he began. "It's like an oil tanker: if you turn the rudder, the ship doesn't turn for 20 or 30 kilometers. But I believe there are some noticeable differences."

One of those differences is the simple frustration of pessimistic expectation. France is in a severe recession, with budgetary austerity the order of the day. There is a perhaps ill-considered assumption, inside and outside the country, that the left is more favorable to the arts than the right. Yet Toubon surprised everyone by raising the 1994 culture budget to \$2.3 billion. This is slightly more than Lang's 1993 effort, which had set a record. Toubon insisted that come what may, the budget would not sink below that figure.

"Think of André Malraux, Georges Pompidou, Michel Guy, Jacques Chirac. The right has always had an interest in the arts and the avant-garde," he said. "Today, the right has accepted the cultural policies of the left and the right. The very idea that culture is the preserve of the left, and that the men of the right fought against it, doesn't correspond to any reality."

Nonetheless, to return to his own image of the tanker and its momentum, the cultural politics of the right will be defined for a while by the Grands Travaux, which were all Lang projects or Lang fulfillments of the wishes of his boss, François Mitterrand, the president of France.



Culture Minister Jacques Toubon (right) with Prime Minister Edouard Balladur at FIAC art fair.

the beleaguered Bastille Opéra when Pierre Bergé's presidential appointment expires in 1995. But Toubon is still left adding what seem basically functional decisions — like uniting the administrations of the library construction project and its current management — as bold innovations. "My job is to act in the interests of the institutions, not in the interests of Mr. Mitterrand or in the interests of Mr. Chirac."

Toubon said: "After 1995, a certain part of the budget will be liberated for other things." Thereafter he hopes to do more for the provinces, to boost arts education and to spread the Francophonie good news around the world. But also in 1995, there will be a new president, which could alter the power relationships in the National Assembly and perhaps even lead to a new minister of culture.

Now, Toubon has lost both communications and education but has gained "Francophonie," making him formally responsible not only for the defense of French language cultural interests at home but worldwide as well.

That puts him squarely in the middle of the GATT debate, wherein French filmmakers, fearful of Hollywood's domination of the international market, are furiously lobbying for a cultural exemption in the GATT agreement.

Toubon can be friendly and funny in conversation, but at the film director Claude Berri's annual conference in the Burgundy wine capital of Beaune in late October, the minister seemed forced into rhetorical exaggeration.

In a shouting, table-pounding peroration to a three-and-a-half-hour GATT debate, his evocation of "love, beauty, and liberty" was met with only polite applause. The audience, already converted, seemed more interested in the specifics of how to proceed than in jingoism.

The confusion about what to do next lay partly in the bland assurances of David Hartridge, a GATT official who made the first speech at Beaune, that nothing in the current accord would affect France's cherished bulwark of film quotas and subsidies.

Toubon refused reporters' urgings to declare unequivocally that the government would refuse to sign the agreement without the audiovisual exemption.

In private, Toubon remains serenely assured not only of the justice of French quotas and subsidies, to protect one of the few still-viable national film industries against the Hollywood onslaught, but of their ultimate wisdom. "For eighths presume our policy is defending the past, but we think it is the politics of the future. For the moment, market forces favor America. But tomorrow, Hollywood will be demanding public protection, too. Foreigners don't understand that the cultural politics of the left and the right are the same in France. Culture transcends political divisions here. It is part of the national consensus of our country."

PEOPLE

Diana Draws the Line At Photos From Gym

Princess Diana is outraged by the publication of "peeping tom" photographs of her working out in a gym and warned that she may sue the newspaper that printed them. And the government hinted that the latest sensational tab story about the royal family had made her to curb the excesses of a prying press more likely. The Sunday Mirror published the photographs on Sunday, and its sister paper, the Daily Mirror, defied a chorus of condemnation from politicians and rival newspapers and carried them again on Monday.

The Lebanese-born French writer Amin Maalouf has won the Goncourt Prize, France's oldest and most prestigious literary award, for his novel "Le Rocher de Tanios" (The Island Rock), set in 19th-century Lebanon. The Goncourt pays a total 50 francs (\$9), but the honor guarantees the winner significant additional sales and media fame. Maalouf won the prize by six votes to two over Michel Bressolette, the author of "Mon ami Ferrand" (My Friend Ferrand).

Madonna headed a judge's warning and left the Brazilian flag out of her act when she appeared in Rio de Janeiro. She limited her outrageousness to uttering a few obscenities in Portuguese. When she performed in São Paulo she wrapped herself in the flag, and the Rio judge threatened to have her arrested if she used the flag improperly.

Another British actress has been chosen to play the role of Scarlett O'Hara, but producers still aren't saying who will play Rhett Butler. Joanne Whalley-Kilmer, best known for her role as the call girl Christine Keeler in the 1969 movie "Scandal," has been chosen to play the fiery Southern belle in "Scarlett," the TV miniseries sequel to "Gone With the Wind," according to the Atlanta Journal-Constitution. The original 1939 "GWTW" starred Vivien Leigh.

INTERNATIONAL CLASSIFIED Appears on Page 8

WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

Table with weather forecasts for Asia and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

CROSSWORD puzzle section including clues for Across and Down, and a solution to the puzzle of Nov. 8.

CROSSWORD puzzle grid and additional clues for the puzzle.

"I wonder if the little guy had fun today?"

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Table of AT&T Access Numbers for various countries, listing the access number and the local number to dial.

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